STRAIT OF HORMUZ AND NIGERIA'S OIL INDUSTRY ADMINISTRATION: EXAMINING THE SOLUTION TO FUTURE PETROLEUM DISRUPTIONS AND PRICE HIKE IN NIGERIA

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DOI: https://doi.org/10.64633/wissj.v10i5.20

Keywords

Strait of Hormuz, Nigeria's Oil Administration, Petroleum Products, Nigeria and Israeli/America and Iran war

Abstract

The article was hinged on the frequent problems emanating from the disruption of the flow of oil in the international market whose impact has affected Nigeria oil industry. For over two decades Nigeria depend on imported refined petroleum products because of the non- functional public refineries. The study aimed at addressing the disruption in the Nigeria's oil industry administration. The politically driven crisis like the closure of the Strait of Hormuz in Iran or oil price volatility in the international market .These disruptions usually resulted in the hike of petroleum products that impact negatively on the average Nigerian. The article adopted qualitative research method anchored on secondary sources of data which was obtained from the study of literature in the form of journals, books, magazines and other works that provide scientific and related information relevant to the study. The research made used of content analysis. The study adopted the structural functionalism theory

whose aim is to ensure that every sector in the society work at maximum capacity in order to solve societal problems and develop the society using the machineries of government .The study concluded that the irregularities and corruption in the oil industry administration in Nigeria should be put under check. The study recommended that, the Nigeria government must as a matter of policy and urgency put an end to over reliance on imported refined petroleum products. This can be achieved by fixing and maintaining the three public refineries in Nigeria. Also, total deregulation and depoliticisation of the petroleum sector to avoid unnecessary bottlenecks in order to encourage private investors to invest in refinery building and those investors interested in establishing modular refineries.

Introduction

This article is occasioned by the closure of the Strait of Hormuz that has affected the Nigerian oil industry linked with hike in petroleum products and high standard of living for Nigerians.The main objectives of the study was to find solutions on how these disruptions in the oil sector can be permanently resolved and make Nigeria generate more money during international crisis The oil industry is crucial to the economy of Nigeria in all ramifications. Thus, the government of Nigeria must resist any action locally or internationally that intend to disrupt the smooth flow of petroleum products in the country. The recent crisis in the middle east has impacted negatively in the petroleum industry in Nigeria due to the closure in the Strait of Hormuz.The Strait of Hormuz has a strategic economic importance to the global oil industry and economy. Before 2026, the Strait of Hormuz was not popular for the world to actually know its strategic importance to global energy administration. The Strait of Hormuz is located in Iran and controlled by the Iranian government. The Strait of Hormuz is bounded to the north by Iran and the south by Oman and the United Arab Emirates. The Strait of Hormuz has a corridor of 50km (31 miles) wide at its entrance and exit, and about 33km wide at its narrowest point that connects the Gulf with the Arabian Sea (Garrin, 2026).

According to Garrin et al (2026) the Strait of Hormuz is deep enough for the world biggest crude oil tankers, and is used by major Middle Eastern Oil and Liquefied Natural Gas producers and their customers. In 2025 alone about 20 million barrels of oil and the oil products passed through the Strait of Hormuz per day (United State Energy Information Administration, 2026). This is almost 600 billion United State dollars worth of energy trade per year. The oil comes not only from Iran but other Gulf countries such as Iraq, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates. Beside the Gulf nation that is prominent in the passage of corridor of the Strait of Hormuz, about 20% of the world's liquefied natural gas is supplied through the Strait. In 2024, it exported about 9.3 billion cubic feet per day (Bcf/d) of liquefied natural gas through the Strait and the United Arab Emirates about 0.7 Bcf/d (United State Government, 2026). The Strait of Hormuz is also an important route for the export of fertilizer from the Middle East, where natural gas is used heavily for the production process. About one-third of the world's fertilizer trade normally go through the Strait (Garrin, 2026). The Strait of Hormuz is also an important channel for imports to the Middle East,

including food, medicine and technological supplies (Garrin, 2026)

Globalization is a process of interaction and integration among people, companies, organizations and government world-wide (Grace – Etim and Omini, 2024) . The world is highly connected and termed a global community, this is the reason why negative impact in a particular country can affect the entire world. The strategic economic importance of the Strait of Hormuz affect the entire global community including Nigeria. Nigeria is the sixth crude oil producing country according to Organization of Petroleum Exporting Countries and the fourteenth largest producer of oil globally, yet, Nigeria was negatively impacted during the American/ Israeli against Iran war and the subsequent blockade of the strait of Hormuz by the Iranian government. The blockade by the Iranian government of the Strait of Hormuz was to get back at American government, since Iran was unable to respond on the numerous bombing of Iran strategic sites. In recent times America and Israel have been raging war against Iran with intensive bombardment to stop Iran from embarking on nuclear enrichments with intention to destroy the existence of Israel. The nuclear enrichment has become a global subject of debate considering the high level of terrorism globally. Israel has also been fighting war against Hamaz in Palestine, Hezbollah in Lebanon and Houthis in Yemen. This terrorist group are believed to be sponsored by Iran, they have become a huge threat to the global community. If these terrorist group have access to superior weapons, the world will be destroyed. In Africa countries, like Nigeria, Mali, Burkinafaso, Congo, Chad and Niger Republic are being confronted with consistent attacks by terrorists. These terrorists are believed to be sponsored by Iran that is pushing for nuclear enrichment with the aim to destroy the State of Israel.

Nigeria has connection with the Strait of Hormuz as it links with the hike of petroleum price. Twenty percent of the global oil consumption passes through the Strait of Hormuz. With the consistent bombing of Iran by America and Israel Iran has to block the Strait of Hormuz, which is under the Islamic state of Iran. In recent times, vessels conveying crude oil to the global community cannot pass through the Strait of Hormuz due to the fear that the passage of the corridor is blocked by the Iranian government, thus making it difficult for vessels to convey both crude oil and refined oil to their destinations. Currently oil prices is high in Nigeria to the point that a liter of petrol is 1500 Nigerian Naira, this is affecting the average Nigerian and have triggered hyperinflation that is negative to the economy. Nigeria as an oil producing country does not have any functional public refinery . The private refinery owned by Dangote cannot take care of the entire Nigeria and even export refined crude oil to other countries solely depending on the refinery. Similarly, some of the countries in Africa are also passing through serious economic hardship due to the hike in petroleum prices occasion by the disruption in the Strait of Hormuz.Nigeria is battered with insecurity and cannot afford to cope with high petroleum product prices. According to Omini, Opue and Etowa (2025) nsecurity in Nigeria has become a social problem that affects almost all the facet of Nigerian society

This article aim at addressing Nigeria's oil industry administration to avoid future hike in oil prices and other disruption due to overdependence on imported petroleum products. The overdependence of imported refined petroleum products is what is responsible for the hike in fuel prices, anytime

there is crisis in international community. Nigeria is supposed to make much money when there is global oil crisis. According to the Nation's Newspaper (2015) maintain that during the Gulf war that involve America and Iraq when Saddan Hussien wanted to annex Kuwait. The war caused serious global oil crisis where Nigeria generate huge amount of money of over 12.4 billion United State dollars in 1991 from sales of oil. This was tag the oil windfall for Nigeria with functional government refineries. The gulf war lasted for only three months and Nigeria made such amount of money from refined crude oil sale (Nation Newspaper, 2015). Currently, the war between America/Israel against Iran has lasted for five months, yet Nigeria has not gained, rather experiencing hike in petroleum prices

Conceptual Clarification on the Strait of Hormuz

The Strait of Hormuz is a choke point that lead to the entrance of the Persian Gulf (The Conversion Africa,2006).The entrance of the Strait of Hormuz is strategic to the global economy of the world,this is the reason why the war has caused a serious disruption in the global oil economy. According to Ahmed, Faisal and Majeed (2020) posit that the Strait of Hormuz is an important waterway for international navigation and for the overall international economy. The water way is key to vessels that convey oil products to various refineries. The word Strait emanates from a linguistic point of view that means a narrow place and passage of water (Ahmed et al,2020). This is the English version on how the meaning of Strait emerges. For Azher (2006) maintain that, the Strait of Hormuz is a key player in the stability of the global economy through its control of over 40percent of oil export to other countries.The world is a global community ,therefore a particular unfavourable situation in any part of the world is capable of affecting the entire world

The Strait of Hormuz has a link with Nigeria's oil industry administration considering its over reliance on importation of refined petroleum products

Brief note on the Strait of Hormuz

The Strait of Hormuz is a water way between Persian Gulf and the Gulf of Oman, on the north coast lies Iran and on the south coast lies the Musandam Peninsula under the Musandam governance of Oman, with a portion of the south west of the peninsula under the control of the United Arab Emirate (Jon and Van, 2008). The Strait of Hormuz is about 104 miles (90 nmi, 167m) long, with a width varying from about 60mi (52nmi, 97km) to 24 mi (21nmi, 39km) (United State Energy Information Administration, 2012). The geographical location of the Strait of Hormuz is strategic and important to the Gulf countries and the world economy at large.

The Strait of Hormuz provides the only sea passage from the Persian Gulf to the strategically imported choko points (Victor, 2018).This is the reason why the security architecture of the United Nation should protect the Strait of Hormuz decisively to avoid disruption that have negative impact to the world In military strategy, a choke point is a geographical feature on land such as valley or maritime passage through a critical waterway such as Strait, which armed force is forced to pass through in order to reach its objective (Victor, 2018). In the Strait of Hormuz about 3000 ships usually sail through the Strait each month but this has dramatically decreased following recent hostilities with Iran threatening to attack tankers and ships conveying crude oil to other countries. The United Nations rules

permit and allow countries to exercise control of territorial seas up to 12 nautical miles (13.8 miles) from their coastlines. This is the reason why the Iranian government have full control of the strait. The economic importance of the strait is strategic to the global community, the strait of Hormuz has become a major focus during the 2026 Iran war (Sinha, 2026).The global economy cannot be allowed to face threat to the economy considering the fact that a downward slope will be devastating to the world economy as it will escalate unemployment and poverty.

Nigeria's oil industry administration

The Ministry of Petroleum Resources is the government organization responsible for formulating and implementing policies that govern the Nigeria's oil and gas industry administration. The exploration of the oil and gas is in the exclusive list of the government that gives the federal government the sole right and mandate to control the petroleum industry administration of Nigeria, both the upstream and downstream sector (Tope, 2024). It is common place that effective administration is key to ensuring the success of the bill and the petroleum industry in Nigeria. Nigeria must be part of global development.The rate of rapid development at global level has been so dynamic that it touches all aspects of human venture (Awubi and Omini , 2024).

For Kingsley and Nuleera (2025) maintain that the petroleum industry is one major sector of the economy in Nigeria that is heavily linked to other sector of the economy. The federal government of Nigeria established the Nigeria National Petroleum Company to administer the petroleum industry in Nigeria from the exploration to the commercial stages. Also the Nigerian National Petroleum Company is also in charge of the refineries to function at maximum capacity. Unfortunately, all the public refineries in Nigeria have not been functioning for more than three decades. The non-functioning of the public refineries in Nigeria has made the Nigerian oil industry administration to rely heavily on imported refined petroleum products that made pump price of fuel expensive and sold in dollar equivalent. Many Nigerians and crude oil stakeholders believe that the non-functioning of the refineries is politically motivated by the political class who owned private refineries abroad. Huge amount of funds has been invested for the turn-around-maintenance of these refineries all to no avail. According to Sadiq (2025) explained that members of the house of representatives demanded answer for over 18 billion United State Dollars spent on non-functional refineries.

For now, the only functional refinery in Nigeria is the privately owned refinery by Dangote. Dangote has reported in many media fora that he was been frustrated by government actors in the oil industry not to have access to Nigeria's crude oil for refining. It is clear that Dangote refinery hardly get considerable crude oil from the Nigerian National Petroleum Company and in many occasions Dangote has alerted Nigerians and the world that there is a highly rated oil cartel in Nigeria oil industry administration with the aim of ensuring that the Nigerian refineries do not function and that Nigerians buy petroleum products at dollar equivalent which is expensive.

This article is aimed at protecting the Nigerian oil industry administration from exposure on the closure and attacks on the Strait of Hormuz which has escalated price of petroleum products and highlighted how Nigerian government can make gains from war in the Gulf nation.

1.4 Theoretical Framework

Structural functionalism theory

The study adopted the Structural Functional Theory also called Functionalism. The structural functionalism sees the society structure as characterized with interrelated parts designed to meet the biological and social needs of the people in the society. The theory sees similarities between the society and the human body. The proponent of the theory argued that, like the various organs of the body work together to keep the body functioning, the many and various parts of the society work together to keep the society functioning and flourishing (Spencer, 1898)

The part of the society that Spencer referred to were the several institutions, these institutions are to be modeled to meet up with the people's needs in the society. These institutions are government institutions that oversee and manage the public policy that drives development in the society.

The structural functional theory is linked to the Nigeria's Oil Industry Administration that is controlled by the Nigerian National Petroleum Company which is the institution of government responsible for the exploration, refining and the commercialization of petroleum products in Nigeria. The structural functional theory stated that government institutions need to function properly for the overall development of the society and to meet up with the needs of the people. For many years the Nigeria's oil industry is faced with series of corruption, non-functional refineries which make Nigeria to rely heavily on importation of petroleum products. These petroleum products are transacted in high price which affect the common man. High price of petroleum products is responsible for high inflation, limited purchasing power of the people and high cost of living beyond the average Nigerian.

Therefore, the essence of the article is to see that the Nigeria's petroleum sector function maximally in order to reduce the price of petroleum products occasioned with positive impact on the economy. If all the public refineries are functioning in Nigeria, Nigeria will no longer rely on imported refined petroleum products. The prices of petroleum products will be cheap. This will correspond with low standard of living and positive impact of the economy. The Nigerian government will also make huge gains whenever there is crisis in the Gulf nation, like Gulf war of 1992, where Nigeria made a huge profit beyond proportion.

1.5 Methodology

The study is qualitative research anchored on secondary sources of data which was obtained from the study of literature in the form of journals, books, magazines and other forms that provide scientific and related information related to the study. The study made use of content analysis.

1.6 Strait of Hormuz and the Global Oil Community

The Strait of Hormuz is strategic to global oil community, this is the reason why the closure by the Iranian government impacted greatly to the hike of petroleum products globally . The Strait of Hormuz is the global most critical energy checkpoint serving a maritime lifeline that handles 20% of the global supply and over thirty percent of global liquefied natural gas. The Strait of Hormuz is one of the world's most vital arteries of energy- related trade, accounting for a significant share of global oil and gas supplies (United Nations Trade Development, 2026)

The global community relies on energy to run its economic activity. There are countries in the world that are not crude oil producing countries. These countries depend completely on the massive importation of energy, and it has been reported that 20% of the energy consumption globally passes through the Strait of Hormuz with positive impact on the economy. In recent times, the escalating war between America/Israel against Iran has caused massive disruption to the flow of oil in the corridor of the Strait of Hormuz. The attack on Iran by America and Israel has killed most of the government officials including the Iranian leader, AyotollahKhemani. Top military commanders have also been killed by the American strikes. Part of the destruction is the massive infrastructure of Iran. To get back at America, Israel and the world at large, the government of Iran decided to barricade the Strait of Hormuz by planting explosives and also blocked other corridors. The government of Iran made it mandatory that, for any vessel to pass and convey crude oil, it must pay huge amounts of money in order for them to start rebuilding its infrastructure destroyed by America and Israel using ballistic missiles and drones. On his note, many vessels with crude oil cannot pass through the passage of the Strait of Hormuz, therefore there is huge shortage of energy supply to the global community.

The non-passage of ships conveying crude oil is responsible for the hike in petroleum products in most developing and developed countries. According to United Nation Trade Development (2026) maintain that petroleum prices remain high due to the disruptions on the movement of ships conveying crude oil in the Strait of Hormuz. Globally when oil prices rise sharply, the cost of living follows. The Strait of Hormuz disruptions are a shock to global trade, which is expected to slow down. Global trade has been impacted negatively since the commencement of the war and the subsequent closure of the Strait of Hormuz by the Iranian government. Global growth is likely to slow down amidst disruptions in the Strait of Hormuz. Another implication over the disruption of the Strait of Hormuz is that financial ramifications for developing countries include; falling stock prices, weakening currencies and rising costs of external debt (United Nation Trade Development, 2026)

The strategic economic importance of the Strait of Hormuz cannot be undermined. Worst hits are developing countries with worrisome debts. For instance, some developing countries' currencies have begun weakening, while some developing countries are incurring more foreign debts to cope with the economic shock occasioned by disruption in the Strait of Hormuz. Should the military escalations and disruptions persist, the suffering will extend far beyond the region translating into widespread economic hardship.

Nigeria which is part of the global community is not spared by the disruptions in the Strait of Hormuz. The president of Nigeria, Bola Ahmed Tinubu led administration has been consistent by accessing loans from World Bank and other foreign financial institutions to cope with the global economic hardship. Globally, petroleum product prices are skyrocketing almost every day in a country that is 14th oil producing nation of crude oil. The naira is being weakened by pressure from the global crunch. Life has become so hard for average Nigerians. Transportation price have gone up and rent in major cities have skyrocketed beyond proportion, civil servants in Nigeria cannot cope with the present economic hardship occasioned by high price petroleum products. .

1.7 Nexus Between the Strait of Hormuz and Nigeria's Oil Industry Administration With the Current Hike in Petroleum Price Products in Nigeria

The Nigerian oil industry has a clear nexus with the Strait of Hormuz considering the fact that the world is now a global community. Nigeria is the largest oil producer and one of the most densely populated in Africa (Adamu, 2026). The imminent closure of the Strait of Hormuz in early 2026 expose the failure of the Nigerian government to fix the Nigerian oil industry. According to Adamu (2026) the Strait of Hormuz is one of the most consequential waterways on earth. Roughly 21 kilometers wide at its narrowest point, it channels nearly 20% of the world's oil trade, functioning as the jugular vein of the global hydrocarbon economy. When the Strait of Hormuz was closed in March 2026 by the Iranian government, Brent crude prices surged past $114 per barrel which is the highest since 2022.

The nexus between the Nigerian oil industry and the Strait of Hormuz impacted negatively on the oil sector in Nigeria. Enthronement of merit in the Nigerian system will enhance human capital development and fix the petroleum sector (Omini and Ofem, 2023). Nigeria depends on imported refined petroleum products to run its energy sector. Nigeria is a country that sits on top of some of the world's richest hydrocarbon deposits, has for decades, been unable to refine sufficient fuel for its own population. Nigerians are the ones paying the price for this structural contradiction through repeated fuel scarcity, suffocating queues at filling stations and an economy perpetually held hostage by the price imposed on imported refined petroleum products. The Hormuz crisis just stripped away whatever this insulation of normalcy had accumulated over the years (Adamu, 2026). The Strait of Hormuz crisis affected the Nigerian oil industry administration with the surge in fuel prices which has escalated price of transportation and standard of living.In fact it has added to state of insecurity. It is no longer news that insecurity has reached its peak in Nigeria, considering the number of persons that lost their lives on daily basis (Omini and Ofere,2021)

Nigeria being an oil producing country is supposed to have made tremendous gain from the closure of the Strait of Hormuz like the Gulf war of 1992. The Gulf war of 1992, Nigeria made so much money and was termed "windfall". It was an era where the government developed massive infrastructure in Lagos and major cities in Nigeria. At that time the three public refineries were functioning at maximum capacity and many countries turned to Nigeria to buy refined petroleum products at high prices. The government of Nigeria made so much money. The reverse is the case currently following the crisis in the Strait of Hormuz where Nigerians have to suffer for failure of the government to fix the refineries. The Dangoterefinery which is primarily owned is finding it difficult to access crude oil from the Nigerian National Petroleum Company.

The privately owned Dangote Refinery situated in Lagos cannot supply refined petroleum products to the entire Nigeria. At present with the functioning of the Dangote refinery, the prices of petroleum products are still very high and this has escalated transportation cost and make life more difficult to civil servants and the average Nigerians. The management of the Dangote refinery has been at logger head with the federal government regulatory agency on the supply of crude and operation. For instance, Dangote management accused the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) of issuing fuel import licenses that

threaten local refineries.The management of Dangote refinery allegedly accused the Nigerian Midstream and Downstream Petroleum Regulatory Authority of colluding with international traders to frustrate local refineries.

The three public refineries in Nigeria owned by the government are not functioning. This is the reason why the Nigerian government has deliberately relied on high level importation of petroleum products from the international market which has linked the Nigeria oil with the Strait of Hormuz. Thus, the closure of the Strait of Hormuz where Nigeria depends on the passage of its refined petroleum has negative impact with hike in the prices of petroleum products. The over dependence of refined imported petroleum products has weaken the value of the naira and instigated instability in exchange rate of the naira. Theses instabilities have impacted negatively on the overall economy of Nigeria. These are issues that the Nigerian government must address urgently.

1.8 Avoiding Future Petroleum Price Hike Despite closure of the Strait of Hormuz and other Disruptions.

Any country that wants high level of foreign direct investment and stability in the economy its petroleum industry administration must be addressed to contend with economic instability in the international market. The world is a global economy therefore the government with the management of the resources must fix the national system in order to absolve any shock. During the Gulf war of 1992, the three government refineries in Port-Harcourt, Warri and Kaduna were functioning at maximum capacity. Then the instability in the global energy crisis did not affect Nigeria. Rather the government of Nigeria made so much money to boost infrastructural development. This is the way to go in recent times to avoid this economic crisis being faced by Nigerians. Nigeria being the largest country in Africa is not spared by this economic virus, the crunch greatly affected the economy of the country (Omini and Ofre, 2021). There is need to avert the petroleum products crisis because even the rural areas are affected through high transportation .The importance of rural areas in the development of Nigeria and the world cannot be overemphasized (Omini & Mbang, 2021)

The government of Nigeria must always prepare for petroleum price hike and other volatilities in the international market. With the proliferation of arms which are sophisticated, the determination for Iran to entirely destroy Israel, the determination of Israel to destroy Iran nuclear enrichment and the rising wave of terrorism, there will always be crisis at the international community. Currently the war between Russia and Ukraine is on-going and this same war has lasted for four years with disruption in oil flows at the international market. These are the reasons why the Nigerian government must step up to avoid any volatility that would affect oil flow at the international market. Refining petroleum products in Nigeria reflects the identity of Nigeria, the identity management capability gap for national security is a pervasive but solvable problem (Ayamba and Omini,2019)

These are the various measures the government can put in place to avoid future oil price hike and disruption:

1. Fixing the three public refineries in Nigeria : The three public refineries are located in Warri, Port Harcourt and Kaduna . These are the refineries that were used to absolve the shocks of the 1992 Gulf war that brought global hike in oil price in the history of the world. Nigeria was not affected considering the fact that the three refineries were

functioning at maximum capacity. The recent closure of the Strait of Hormuz really affected the Nigerian oil industry administration because of the over reliance of imported refined petroleum. The three public refineries should be fixed and refined petroleum products at maximum capacity and to feed the daily consumption of Nigerians and even export to other countries.

2. Granting of licenses to private investors to build more refineries: More licenses should be granted to private investors who want to invest in refineries. This will play key role in boosting the Nigerian oil sector and export to countries of interests and save Nigeria the issue of disruption in the global oil market.

3. Deregulation of the oil sector : There are regulations that are impeding private interests from investing in the Nigerian oil sector. Regulated price caps should be eliminated to allow market driven pricing which would encourage private interests to invest in the oil sector.

4. Robust security measures by the government to protect oil facilities : the Nigerian government must ensure that security measures are put in place to protect investors, oil workers, oil installation and avoid oil theft. Often times, the oil industry in Nigeria where the sector is characterized with kidnapping, attacks on oil facilities mostly in the oil rich Niger Delta and continuous oil theft with government officials collaboration. Heavy security measure would ensure the smooth flow and the development of the oil industry in Nigeria and avert foreign disruption.

5. Appointment of a substantive minister of petroleum : For some years now both past and current presidents of Nigeria have chosen not to appoint substantive minister of petroleum. Rather they choose to oversee the ministry, thereby making them not accountable to Nigerians whenever there is petroleum disruption. Under the watchful eyes of these president, Nigerians have witnessed series of fuel scarcity, price instability, massive corruption and other disruption in the petroleum industry, thereby causing untold hardship on Nigerians. A substantive minster of petroleum would give Nigerians monthly report of situation in the oil sector and can be held accountable for any uncertainty.

Discussion of findings

The following of the study indicated that the government of Nigeria has not demonstrated much effort to overcome this perennial disruption in the Nigeria oil industry. This has badly affected the Nigeria's economy. The standard of living is high for the average Nigerians. The price of fuel has gone up making life unbearable. The findings point to the direction of the deliberate decay of the three public refineries in Warri, Port Harcourt and Kaduna. Theses refineries play major roles in the 1992 Gulf war that escalated and disrupted crude oil flow globally. Nigeria became major supplier of refined petroleum products to the global community. Crude oil industry is the economic hub of Nigeria revenue generation, thus the reason why the government of Nigeria must do everything possible to ensure the functional capacity of the three public refineries in Nigeria. The export of Nigeria's crude oil to foreign oil industry is not favourable because of other products that can be extracted from the crude. Refined crude oil has other petroleum products that would be claimed to the refining refineries and this would contribute to the development of the foreign economy.

Another discussion on the study is the deliberate and massive corruption in the Nigeria's oil industry. The corruption is orchestrated by government officials and those stealing the crude oil. Oil theft in Nigeria has negative impact on the economy of Nigeria. In recent times, Nigeria is faced with myriads of problems stemming from corruption in the oil industry. The study align with the position of Anthony and Johnson (2024) maintained that, the increase in oil theft in spite of the enormous sum of money invested to put an end to this menace indicated a lack of awareness of the issues facing the nation's oil industry. Nigeria as the 12th largest producer of petroleum, has been battling in the past and present to maintain and keep complete control of her crude oil business from hostile and non-state actors, but this effort has not yielded much fruits (Anthony and Johnson, 2024). The position of Bakpo (2023) align with the discussion of findings about the corruption and oil theft in the oil industry in Nigeria. The scholars maintain that oil theft in Nigeria is sponsored and facilitated by the pragmatic cooperation between security forces, militia organization, the local population and the oil company employees who used various ways to steal from multinational corporations.

Conclusion

For the past three decades Nigerians have been confronted with high level of irregularities in the oil industry. Ranging from frequent petroleum scarcity, price instability, massive corruption on petroleum subsidies, attacks on oil installation, oil theft and control of local price by international market. These abnormalities have triggered underdevelopment in the economy and escalated the sufferings of Nigerians. For over the years, Nigerian government has deliberately refused to fix the three government refineries which has made Nigeria to over rely on imported refined petroleum products. The over reliance of imported petroleum products is responsible for the hike in petroleum price and high cost of living which is occasioned by the closure of the Strait of Hormuz. In a society where the institutions are weak there is room for anarchy and other illegal activities that can suffocate the institution responsible for petroleum products (Omini, Oko and Ene – Ita,2025). Fixing the petroleum industry in Nigeria is an instrument of public policy. Public policy is a purposive course of action made by the state in order to solve societal problems (Omini and Archibong, 2025)

Nigeria cannot continue to suffer irregularities and hardship due to the irresponsibility of the Nigerian government to address the problem in the oil sector. The Nigerian government have the capacity to address these problems in the oil, industry. A compromised system that relegates merit and allow incompetence and injustice to thrive is capable of deepening induced poverty, unemployment, poor justice system and a failed state (Omini and Umahi, 2024)

1.9 Recommendations

The Nigeria government must as a matter of policy and urgency put an end to over reliance on imported refined petroleum products. This can be achieved by fixing and maintaining the three public refineries in Nigeria. If the government cannot control the refineries, they should be privatized to individuals or organization that can manage the refineries and run at maximum capacity.

Total deregulation and depoliticization of the petroleum sector to avoid unnecessary bottlenecks in order to encourage private investors to invest in refinery building and those investors interested in establishing modular refineries. This will end reliance in imported

refined petroleum products and also make the products cheap and available.

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