India-Nigeria Oil Partnership

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India's oil partnership in Africa remains a critical component of their resource linkage which has gained momentum under economic globalization. India, the 4th largest economy in the world, is also home to one-sixth of global population. The energy demands of a vast population and a growing industry can be quite challenging for policymakers, especially with the pace of growth in the economy (8.5% in 2010-11) and subsequent increase in purchasing power.The primary energy consumption of India, which is 4.4 per cent of global consumption in 2010, was hardly 1.55 per cent of global consumption in 1980, a not so distant past in the historical perspective.

Since fossil fuels are a depleting resource globally, nations and large energy companies are constantly searching for a reliable and long-lasting fuel source.With its vast hydrocarbon resources, Africa provides the muchneeded comfort in the current situation. Africa is a relatively new phenomenon on the oil and gas world map. An oil-producing region with a large landmass and geological similarities to other regions or continents has attracted global companies. As a result of regional diversity and discoveries on a regular basis, more potential for oil has been discovered on this continent.In addition to these newer prospects, there is speculation that there may be more unexplored regions in Africa.

A minority share of the world's oil reserves, 9.5 percent, is held by Africa, which produces 12.2 percent of global oil quantities.It indicates an increasing reliance on African oil by the global economy.The rising economic growth of India is currently being sustained by oil resources, but resource-rich African countries require cost-effective and intermediate technology, as well as loans and investments at favorable, concessional terms, to transform their oil industries into a modern one. The economic complementarity and mutuality of interests have consequently created

immense scope for the India and African countries to build upon their historic friendships for undertaking a holistic partnership on the oil sector.

Among the African nations, Nigeria is the largest oil producer and tenth largest oil producer worldwide, having discovered oil in the 1950s.In terms of energy security, Nigeria is of great importance to India.Nigeria has been one of India's main sources of crude in recent years. Approximately 8-12 percent of India's crude oil requirements come from Nigeria. In addition to hydrocarbon trade, Indian participation in the upstream sector and refining in Nigeria has reached a critical point. Keeping this in perspective, the paper has explored the specificity and sustainability of oil partnership between India and Nigeria, and has sought to assess the synchronization between capacity building and oil production relation between the two countries.

India's Oil Sector: Over time, India's domestic oil fields have gained considerable experience. In order to extract oil from its several domestic fields located in a variety of terrains, it owes its techniques to the Russians who shared with it the necessary technology. (Digboi in the hilly Northeast region to the offshore Bombay High) (Dash, 2009). As reported by BP Statistical Review 2011, at 9.04 billion barrels of oil equivalent (boe), Despite having a meagre 0.65 percent of total world reserves, India is ranked 19th for proven balance recoverable oil reserves. More than 50 percent of India's proven oil reserves are located in the western offshore Mumbai High and in the onshore northeast of the country.A significant quantity of undeveloped reserves is located offshore in the Bay of Bengal Krishna Godavari basin and onshore in Rajasthan. In India, the domestic production of 826,000 barrels of oil per day (bopd) is only about 25 percent of the country's current consumption of 3,319,000 bopd, creating a huge import gap. In 2010, India imported about 75 percent of its crude oil requirements due to this increase in crude oil imports (Gas, 2011).

The import bill of the country contains a significant amount of crude oil as one of its major commodities. In 2010-11, crude oil and refined products accounted for more than 28 per cent of India's imports of principal commodities, according to the Directorate General of Commercial Intelligence and Statistics, India. As a result, India's imports

of these commodities increased by about 20 percent from 86 billion dollars in 2009-10, to about 103 billion dollars in 2010-11.On the other hand, in terms of quantity, India imported 24 per cent less crude oil and refined products in 2010-11 than it did in 2009-10, i.e. 173.53 million tons in 2010-11 as opposed to 177.85 million tons in 2009-10. According to the Petroleum Planning & Analysis Cell (PPAC), "during first six months of the current financial year (March – September 2011), India imported 84.13 million tons of crude oil and 7.92 million tons of refined products while during the same period India exported about 31.19 million tons of refined products" (Gas, 2011).

Additionally, to importing more crude oil, the Indian government has increased domestic exploration activity and secured equity oil overseas in order to increase reserves and production.A significant decline in hydrocarbon production also has upstream companies considering secondary and tertiary recovery methods. "In 2010-11, ONGC and OIL accounted for 74% of India's crude oil production, the majority coming from state-owned enterprises.A contribution of over 6 MMT from Barmer, Rajasthan, and KG Basin contributed to an increase of 12.5% in crude oil production to 37.68 MMT in 2010-11 from 33.50 MMT in 2009-10" (Gas, 2011).

It is estimated that ONGC and OIL will contribute about 68 per cent of crude oil production in 2012, and the remaining 32 per cent will be produced by private companies and joint ventures. Oil production from NOCs is forecast to reach 72 per cent in the terminal year of the XII plan (2016-17), with the remaining 28 per cent coming from the private sector and joint ventures. (Gas, 2011).

There are 26 sedimentary basins in India, covering an area of 3.14 million square kilometers. These 26 basins that comprised this analysis can be divided into three categories: those that are prospective, those that can identify prospectivity, and those that have proven commercially productive.Only 22 percent of the 3.14 million square km area has been explored moderately to well. There have been exploration efforts in 44% of the area, and 34% remains poorly explored to completely unknown, although some exploration efforts have been initiated in these areas. It is estimated that approximately 1 million square kilometers of land are currently under active petroleum exploration licenses in 18

basins and that 35,601 square kilometers of land are under active mining leases. 259 of the 597 operating concessions are covered by Petroleum Exploration Licenses (PELs), and 338 are covered by Mining Leases (ML). Around 44% of India's entire sedimentary basin area is onshore, spanning an area of 1.39 million square kilometres, and the other 56%, or 1.75 million square kilometres, is offshore, including the deepwater offshore zone, which covers an area of 1.35 million square kilometres. (Gas, 2011).

The largest refining capacity is located in India at Jamnagar, which is owned by RIL and has a 60 MMtpa capacity. RIL controls 2 refineries and 31% of India's refining capacity. With 10 refineries around the nation with a combined capacity of 65.7 MMtpa and a 34% market share, IOCL is the country's largest refinery operator.With a total capacity of 30.5 MMtpa throughout its 4 refineries, BPCL contributes 15.8% of the nation's refining output. With 14.8 MMtpa of refining capacity, HPCL is the fourth-largest corporation by that measure. It owns two refineries and has a 7.7% share of the global refining capacity.ONGC operates two refineries with a combined capacity of 11.9 MMtpa through its subsidiary MRPL, which also contributes 6.2 percent. Essar Oil operates just one refinery with a 5.4% share of total refining capacity and has a 10.5 MMtpa capacity for refining. India is home to refineries with refining capacities ranging from 0.078 MMtpa to 33.0 MMtpa. The largest refinery is owned and operated by RIL at Jamnagar SEZ, while the smallest refinery is run by ONGC at Tatipaka (GAS, 2011).

According to the *World Economic Outlook, "*Asia's share of oil in the global total would continue to increase and touch 35 per cent by 2020. The increase would be evident mainly in China, India and Southeast Asian countries. In volumetric terms, this means that demand for energy in Asia, which was 19 million barrels per day in 1997, would grow to over 28 million barrels per day in 2010 and more than 37 million barrels per day in 2020" (IMF, 2003). As a result of the limited and declining oil production in the region, the incremental demand for oil will have to be met by imported oil as a result of the limited and declining oil production (Biswas, 2005).

There are many opportunities in the hydrocarbon sector due to the trend of cooperation and collaboration between state and international

companies. A significant change has been witnessed in the debate on energy security in the 1990s.Government resource policies have changed since the 1970s and 1980s, when oil shocks and fears of global shortages dictated energy security calculus.As a result of a perceived shortage of energy supply, the fear of conflict over energy competition is not the main cause of concern for States at the moment. Trade patterns are changing, oil production has shifted to West Asia, and therefore, the region depends more on open shipping lanes, and strategic relationships are shifting, which could contribute to conflict in the region.Some scholars argue that Asian countries will be incentivised to collaborate instead of compete if they are forced to rely more heavily on imported energy supplies (Biswas, 2005).

Among the major energy seeking powers of Asia, India is one of the most important. Although it has significant coal reserves, it has relatively few oil and gas reserves. Currently, the country has 5.9 billion barrels of oil reserves, which is only 0.5 percent of the total oil reserves in the world. In Assam and offshore Bombay, India has the majority of its oil reserves. A stagnant domestic crude production has led to India importing 70 percent of its oil from West Asia. In addition, the World Energy Outlook predicts that by 2020, India will be 91.6 percent reliant on oil imports. Thus, in order to enhance energy security in the country, India has undertaken a series of dramatic reforms in the hydrocarbon industry. A number of activities are undertaken by the private sector, both Indian and foreign, in the upstream and downstream sectors. During the early 1990s, the Government contemplated setting up a deregulated and market-driven oil and gas industry in India (Chandra, 2001).

India is also exploring possibilities to seek oil from Latin America, Southeast Asia and Africa. Since 2003, it has been making major efforts to enhance its oil security through accelerated steps for increasing domestic production of oil and gas, and through investing in the oil fields. Recently, the Government of India empowered the State-owned ONGC to invest in overseas oil and natural gas exploration projects (Harshe, 2002).

India's Interest in African Oil: As India has expanded its energy sources across the world in recent years, African markets have appeared to be one of the major attractions for Indian oil companies. India

imports roughly one fourth of its crude oil from sub-Saharan Africa. The majority of this comes from Nigeria. India is also investing in equity oil in Africa. Sudan, Angola, Ghana, and Ivory Coast are the African countries where it has focused so far. In West Africa, there are also three countries of interest in the Gulf of Guinea region: Equatorial Guinea, Chad, and Mauritania (Beri, 2007).

There are a number of reasons why India is interested in African oil. In the first place, the oil from Africa, particularly the Gulf of Guinea, is of high quality, with low sulphur content. The second is that most new discoveries are found offshore, away from potential conflict on shore. Third, unlike Saudi Arabia and many other Gulf countries, Africa's oil market is open to foreign participation. In addition, only Nigeria belongs to the OPEC, which sets a maximum level of production for its members.Aside from centuries long ties, India has also fought colonialism and apartheid together on the continent. Indian and African relations have been strong for many years. In the mid-19th century, Indians who reached African shores formed a bind between India and Africa. Moreover, both nations have experienced similar nation building challenges. As a result, India has a certain bond with African countries that is beneficial in forging energy ties (Beri, 2007).

The interdependence between India and African countries is, therefore, manifested in the crucial sector of energy.A growing demand for energy has prompted India to develop a comprehensive energy procurement plan through its energy diplomacy. Currently, India cannot meet these demands with its internal resources. Nigeria, Persian Gulf countries, and South-East Asian countries, especially Indonesia, will likely serve as India's primary energy suppliers in the short term. In the long run, Bangladesh, Qatar, and Turkmenistan are likely to become India's future energy suppliers, especially natural gas. For now, Egypt remains India's largest petroleum supplier (Harshe, 2002).

Due to Africa's hydrocarbon potential, Indian relations with this continent have taken on a whole new dimension and have the potential to be very significant. India is hydrocarbon deficit to the extent of 70 per cent; this deficit is expected to increase to 85 per cent by 2025. Hence, India's quest for energy security has made it necessary for the country to pursue a proactive oil diplomacy to diversify its hydrocarbon sources

as also to acquire hydrocarbon assets across the world through equity participation in developed fields and through exploration and production contracts and midstream and downstream joint ventures and investments (Harshe,2002).

These efforts have already met with some success in Africa in recent years. Nigeria is the second-largest supplier of crude oil to India, after Saudi Arabia, meeting about 12 per cent of her annual needs. India's first foray into Africa in equity participation was the acquisition of a 25 per cent stake in the GNOP in Sudan, which is today providing India with about three million tonnes of oil per year. This was followed by a contract to construct a products pipeline from a refinery in Khartoum up to Port Sudan. India's investment in Sudan's hydrocarbon sector cumulatively amounts to nearly $2 billion. The other recent success for India has been in Libya where Indian companies, the Oil India Limited, Indian Oil Corporation (OIL-IOC) combine and ONGC, have between them won three blocks in the face of stiff international competition. The ONGC also acquired shares in some E&P blocks in Nigeria (Ahmad, 2005).

These early successes constitute the basis of a substantial long-term engagement of India with Africa across and even beyond the hydrocarbon value chain. India is well placed to pursue such engagement. India carries considerable goodwill across the continent for the role it played in the anti-colonial struggle as also for its Indian Technical and Economic Cooperation (ITEC) programme. The programme has developed the knowledge base of at least three generations of Africans. Beyond these strengths, the possibility of the success of Indian efforts is also enhanced by the fact that African counties are increasingly linking the award of upstream E&P contracts to participation by interested parties in the midstream and downstream sectors (pipelines and refineries) and, more importantly, in economic development project covering sectors such as railways, power projects, and the development of domestic natural resources and infrastructure. India, with its capabilities in the hydrocarbon sector and its national development experience over 50 years, is well equipped to meet these challenges (Ahmad, 2005).

India few years back hosted a composite delegation from Nigeria made up of the Ministers of power and steel, commerce and energy, the

Chairman of the Nigerian Railway and the Special Advisor to the President for Economic Development. The delegation, over three days, conveyed its interests in linking Nigeria's E&P contracts to downstream and economic development proposals, particularly in regards to power and railways. India has speedily responded to the Nigerian offer by setting up an inter-Ministerial task force to pursue E&P proposals in tandem with specific power and railways projects in Nigeria. The Angolan Government has also conveyed to India their interest in linking E&P proposals to economic development offers, particularly the revival of mines and the up gradation of road, railway and port systems which have suffered serious damage on account of the prolonged civil war (Ahmad, 2005).

An important area for an Indian role in meeting Africa's urgent requirements is in the development of human resources that would be required to explore and develop the continent's hydrocarbon potential. A pan-African initiative in this area that is already underway is Africa Array, a 20-year programme designed to strengthen geophysics education and research and build a training and research support system. India, with its 70-year experience in the hydrocarbon industry, and its numerous research and training institutions, can make a useful contribution this initiative (Ahmad, 2005).

Africa's substantial hydrocarbon reserves hold the promise of economic development and prosperity for the people of this continent who have for several decades suffered poverty, loss of dignity and exploitation. The challenges are to harness the resources generated by the energy reserves and invest them in all-round development of infrastructure, socio economic upliftment and the development of human resources. This empowerment would enable the continent to obtain the highest standards of achievement, which are warranted by its ancient civilisation, the wisdom of its leaders and the sincere commitment of its people to excel. The traditional links with the continent and the experience in the both developmental issues and hydrocarbon sector enable India to be an effective partner of African countries (Ahmad, 2005).

Nigeria's Oil Sector: A member of the Organization of Petroleum Exporting Countries (OPEC), Nigeria has been producing oil in Africa for more than 40 years, and it is the tenth largest oil producer worldwide.

African oil was discovered in Nigeria in the 1950s. In 2010, the country was the fifth largest exporter of crude oil in the world, following Saudi Arabia, Russia, Iran, and Canada, according to the ENI World Oil and Gas Review 2011.US exports represent 37.4 percent of Nigeria's total exports, followed by India (10.5 percent), Brazil (7.8 percent), Spain (6.9 percent), and China (6.9%)(Gas, 2011).

A large portion of export revenues (total export revenue of US$ 82.54 billion in 2010), 85 percent of government revenue, and approximately 40 percent of GDP are generated by oil, the country's most important resource. Nigeria's hydrocarbon sector is regulated by the Ministry of Petroleum Resources. As a result of the government's close control over the hydrocarbon sector and the activities of Nigerian National Petroleum Corporation (NNPC), established in 1977, the country's NOC remains closely controlled.The primary function of NNPC at that time was to regulate the Nigerian oil industry, and its secondary responsibilities included upstream and downstream activities. Aside from exploration, the Corporation has been given operational interests and powers in refining, petrochemicals, and product transportation and distribution. In 1988, the Nigerian government divided the NNPC into 12 subsidiary companies to improve management of the country's oil industry (Gas, 2011).

A majority of Nigeria's major oil and natural gas projects are funded by joint ventures (JVs), in which the NNPC owns 55-60 percent of the company. The largest JV is owned and operated by Shell Petroleum Development Company (SPDC). The majority of foreign oil majors, including Exxon Mobil, Chevron, Conoco Phillips, Total, and Agip and Addax Petroleum, also operate as joint venture partners with the NNPC. Nigeria's offshore deepwater development program comprises the remaining JVs, which are primarily PSCs. China has made significant investments in recent years in all sectors, particularly hydrocarbons, through its NOCs and private companies (Gas, 2011).

To deal with the deregulation and privatization of NNPC, the Nigerian government established a new committee on oil and gas reform in April 2000. NNPC is set to sell seven subsidiaries, including the three refineries, Eleme Petrochemicals Ltd, the Nigerian Petroleum

Development Company, and Hyson Nigeria Ltd., a partially owned oil marketing firm (Gas, 2011).

According to the National Petroleum Reserves Report of January 2011, Nigeria held 37.2 billion barrels of proven oil reserves, which is the second largest oil reserve in Africa after Libya (3.4%). Nigeria's crude oil production averaged 2.436 million barrels per day in 2010, an increase of 16 percent from 2009 production of 2.098 million barrels per day. Nigeria accounted for over 23 percent of Africa's total oil output in 2010.The country's oil R/P ratio is approximately 42 years based on current production levels. In recent years, Nigeria achieved highest oil production at the levels of 2.518 million bpd in 2005 (Gas, 2011).

It is estimated that Nigeria consumes 0.64 barrels of oil per capita, almost half the average per capita consumption of Africa at 1.30 barrels. Nigeria's oil production and reserves are concentrated in the Niger River delta, the Bight of Benin, the Bight of Bonny, and the Gulf of Guinea. The main oil producing fields are Bonga, Gbaran/Ubie, Yoho, Agbami, Amenam, Akpo, Usan and Bolia.In addition to Forcados and Bonny (operated by Shell), Chevron operates Escravos and Pennington, Exxon Mobil operates Qua Iboe, and Agip operates Brass. Light and sweet crudes are Nigerian export blends, with APIs ranging from 29 to 36 degrees and sulphur levels between 0.05 and 0.2 percent. In terms of gasoline production, Nigeria's Bonny light blend and Forcados blend are among the best in the world (Gas, 2011).

There are many top multinational oil companies (IOCs) and national oil companies (NOCs) that have invested in the Nigerian oil sector, including Shell, Chevron Texaco, Exxon Mobil, Total, ENI (Agip), Conoco Phillips, Statoil, Addax, Petrobras, Devon Energy, Nexen, SINOPEC, ONGC and CNOOC. As part of the project, Nigeria developed a "novel digital reservoir monitoring" technology to scan mature oil wells by identifying zones of bypassed hydrocarbons in an old oil well (Gas, 2011).

In Nigeria, NNPC owns three refineries, each with 450 thousand barrels per day of refining capacity. In addition to Warn and Kaduna refineries, Port Harcourt refineries have a nameplate capacity of 125,000 barrels per day (19,900 m3). It is operated by the Warri Refining and

Petrochemical Company (WRPC), a subsidiary of NNPC.Kaduna refinery has a capacity of 110,000 barrels per day (17,000 m3 per day). It is jointly managed with a petrochemical plant that produces 13,000 tonnes of polypropylene and 18,000 tonnes of carbon black per year. The Kaduna Refining and Petrochemical Company (KRPC), a subsidiary of NNPC, operates the refinery. PHRC has a capacity of 210,000 barrels per day (33,000 m3 per day) for Port Harcourt I and II (Port Harcourt I 60,000 barrels per day, Port Harcourt II 150,000 barrels per day). As a result of operational inefficiency and lack of maintenance, all three refineries have been operating significantly under their respective installed capacities, forcing Nigeria to import 85 per cent of its petroleum products, which leaves them vulnerable to crude oil prices. According to ENI World Oil and Gas Review 2011, "Nigerian refinery utilization was merely 36 per cent in year 2010, a sharp decline from 55 per cent in year 2005, and well below the Africa's average current refining capacity utilization at 74 per cent" (Gas, 2011).

Several independently-owned refineries will be built in the Nigerian capital to increase refining capacity. A two-phase construction plan for a refinery in Lagos's Lekki free trade zone is being considered by Oando, a leading petroleum marketing company in Nigeria. Downstream sector hope has been raised by the just-concluded feasibility study for the proposed 240,000 bopd greenfield oil refinery.In the second phase, 360,000 barrels of oil per day would be produced (Gas, 2011).

The government is considering selling the oil refineries, petrochemical plants, and Pipelines and Products Marketing Company (PPMC) of NNPC to privatize state entities. Nigeria's government has begun talking to many foreign prospective investors despite little interest from international companies in privatizing refineries.In July 2010, Nigeria signed a deal worth US$8 billion to construct the first refinery by China State Construction Engineering Corporation (CSCEC). An agreement between Chinese investors and NNPC in May 2011 stipulated the construction of three refineries and a petrochemical complex. Lekki (Lagos state), Brass (Bayelsa state) and Lokoja (Kogi state) will serve as refineries.Nigeria will save about US$10bn annually on crude oil imports by building these three refineries. They are expected to be completed by 2015 (Gas, 2011).

New contracts have been signed by NNPC to swap crude oil imports for refined products. The new contracts cover half of Nigeria's products demand, and similar agreements are likely to be signed soon to fill the remainder. However, these contracts offer a temporary solution to make product supplies more stable and predictable, but the Nigerian fuel supply and distribution problem will only be resolved through massive investment in its downstream and transportation infrastructure. An exchange deal worth around US$1.7 billion involves NNPC selling 60,000 barrels of crude to Trafigura in exchange for refined products of equivalent value. Approximately five or six standard gasoline cargoes will be delivered per month by Trafigura. (Gas, 2011).

NNPC has committed to providing Côte d'Ivoire's national refiner Société Ivorienne de Raffinage (SIR) with 30,000 barrels per day of crude in exchange for refined products produced at the Abidjan refinery as part of the second swap deal. The deal is estimated to be worth around US$850 million based on the assumption that Brent prices are approximately 80 dollars per barrel. The volume of product is estimated to be 100,000 tons per month (equivalent to two or three cargoes) (Gas, 2011).

Nigeria's Oil Diplomacy: Nigeria's oil diplomacy, according to Kayode Soremekum, "lies at the interface between the domestic and the external environments. Since oil became the dominant national revenue-earner in the wake of the quadrupling of global oil prices in the 1970s, it has remained a crucial element in defining national power and the robust regional and pan-Africanist thrust in the county's foreign policy" (Soremekun, 2011). Looking back to the 'golden age' of Nigerian diplomacy in the 1970s, when Nigeria took a leading role in West African integration, as well as providing material and moral support to liberation movements across the continent. During the period of time when oil power was abundant in southern Africa, its foreign policy was greatly enhanced by this (Mustapha, 2008). In a similar vein, Bassey Ate argued that, "This aspect of oil diplomacy was played out between Nigeria and Britain, when the former decided to nationalize the assets of British Petroleum (BP) in the context of Nigeria support for the liberation struggle in southern Africa. owing largely to oil revenues, Nigeria challenged the United States as regards African issues" (Ate, 1987). In order to understand the context of such African affairs,

it is necessary to understand Gowan's unrelenting resistance to the Nixon administration, General Murtala Mohammed's historic challenge to President Ford over Angola, as well as General Obasanjo's progressive partnership with Jimmy Carter regarding the liquidation of Ian Smith's settler-colonial regime in Zimbabwe (Soremekun K., 1984).

The decline in global oil prices caused by the worldwide economic recession of the 1990s, which was reflected in Nigeria as a full-fledged economic catastrophe, had a restricting effect on the country's 'active' foreign policy, demonstrating that Nigeria's internal and external fortunes are bound to oil. Domestic revenue declines and the implementation of a socially punitive Structural Adjustment Plan (SAP) based on market reforms (Obi, 1993). Deepened oil politics as more people were excluded from the distribution of public commodities. This heightened competition for control of dwindling oil income. The collapse of the economy exacerbated the situation in the Niger Delta and contributed to the emergence of identity movements seeking restitution for decades of oil exploitation, impoverishment, and environmental degradation by the oil industry, paving the way for the internationalisation of the conflict in the 1990s and its current insurgent phase. Yet, given the shifting post-Cold War global landscape characterised by rising demand and a new scramble for Africa's oil, (Obi C., 2009). Nigeria, the continent's top producer, is on the verge of a resurgence of oil-fueled foreign policy in line with its regional and continental leadership ambitions.

The background of the Niger Delta securitization resides in the designation of the region's oil as critical to the energy security of the United States and Western nations, which are the primary importers and users of Nigeria's sweet crude. The challenges to Western interests in the volatile Delta have been exacerbated by the recent entry of Chinese and Indian state oil corporations seeking a foothold in the region to meet rising domestic demand and diversify their supply sources (Volman, 2006).

India-Nigeria Oil Partnership: To improve energy supply security and supplement domestic exploration activities, India's National Oil Companies (NOCs) are seeking offshore oil equity through the acquisition of E&P assets. ONGC Videsh Ltd (OVL), ONGC's abroad arm, has

developed a number of joint ventures with foreign corporations. As of March 31, 2011, OVL had a presence in 33 projects in 14 countries in Africa, Asia, South America, and the Middle East. In Africa, OVL, OIL, IOCL, BPRL, HPCL, Essar Energy, and Videocon Group are all actively engaged in E&P activities(Gas, 2011).

In Nigeria's "OPL – 279 & OPL – 285 blocks, OVL holds PI through its JV ONGC Mittal Energy Limited (OMEL), which is the operator of these two offshore blocks. Other partners are Total and EMO. In OPL-279, OMEL has (45.5 per cent), EMO (40per cent), Total (14.5 percent). In OPL-285, OMEL has (64.33 per cent), EMO (10percent), Total- (25.67 percent). In OPL – 205 (Onshore) blocks, OIL has signed SPA and SHA for acquiring 25 percent equity of Suntera Nigeria 205 Limited, which is a Nigerian company having 70per cent interest in Exploration Block OPL 205. In OPL-226 block, Essar Energy has 100per cent interest" (Gas, 2011).

Earlier in 2000, India signed a major oil deal with Nigeria. As per the deal, "Nigeria was to supply oil to India at the rate of 1, 20, 000 barrels a day on a sustained annual basis. The hydrocarbon deal between the two countries that entailed the annual supply of 6 million tones was seen by analysts as an important building block in India's quest to achieve energy security" (Harshe, 2002).

Thus, there is a subtle shift in India-Nigeria hydrocarbon resource partnership from commodity trade to equity linkage. Nigeria is highly important for Indian energy security matters. "In recent years Nigeria has been one of the main sources of crude for India. India imports around 8 per cent to 12 per cent of its crude requirements from Nigeria. Apart from trade in hydrocarbons, Indian presence in Nigeria's upstream sector has arrived at a critical threshold of participation in the upstream sector and refining. During 2005-07, Indian companies participated in Nigerian bid rounds and won 6 oil blocks: ONGC Mittal (OMEL) (3: OPL279, OPL285 & OPL297), Sterling (2: OPL2005 & OPL2006 – the crude has started flowing since 2nd half of 2011) and Essar (1: OPL226)" (Affairs, 2013). India-Nigeria oil sector partnership can be looked at the wider context of their relationships based on the multifaceted symmetry.

Political Symmetry: The commonalities in anti-colonial struggle against the British, vast multi-ethnic, multi-religious, and developing cultures have fostered bilateral affinity between India and Nigeria. "Both share common perspectives on international political, social and development issues and these have manifested in various meetings at UN, WTO, etc. Nigeria is strongly opposed to all forms of terrorism" (Affairs, 2013).India and Nigeria have common historicity and challenges in their tryst with resource security and resource utilization. While Indian Digboi oilfield, which has the oldest running oil well in the world, has witnessed the ethnic insurgency, oil rich Niger Delta is also subjected to similar armed movement. The Union Carbide has unleashed the accidental gas disaster in the Indian city of Bhopal in 1984, exposing more than 500,000 people to the toxic methyl isocyanate (MIC) gas and other chemicals. Similarly, the Royal Dutch Shell's failure to clean up oil spills in the Niger Delta has caused huge suffering to locals and damage to the ecosystem.

Nigeria-India relations have traditionally been cordial and friendly, with no contentious issues. Even before Nigeria gained independence in 1960, India opened a diplomatic office there in 1958. Both countries have been in the vanguard of the global anti-colonial and anti-apartheid struggle, and have partnered in a variety of international fora. On his historic visit to Nigeria in September 1962, Indian Prime Minister Jawaharlal Nehru and Nigeria's first Prime Minister Tafawa Balewa established mutual respect and admiration. Similarly, Indian Prime Minister Manmohan Singh's historic state visit to Nigeria in October 2007 boosted bilateral ties.

The steady exchange of ministerial visits between India and Nigeria provides the political strength to their growing relationships. The major Nigerian visits to India during 2012 included Former President Oluseguxn Obasanjo, Finance Minister Ngozi Okonjo-Iweala, Minister of Works, Minister of S&T, Minister of Labour & Productivity, MOS of Defence Erelu Olusola Obada, Minister of Agriculture & Natural Resources, Governor of Borno state, Education Minister Ruqayyatu A. Rufai,Minister of Land & Housing Ama Peppele, Permanent Secretary in the Ministry of Local Government (Affairs, 2013).

Economic Symmetry: India and Nigeria remained suppliers of raw materials and recipient of finished products under the colonial political economy. They retained their subservient commonality in the post-colonial international production linkage for a certain period of time. Nevertheless, India has over the years witnessed a substantial economic growth, a trend that becomes more visible after globalization. India has in reality acquired fair amount of experience in industrial production under its 'command' and the subsequent 'demand' economy regimes.India has become increasingly dependent on foreign resources due to its growing reliance on foreign resources brought about by economic globalisation. India's quest for overseas resources coincides with the unfolding of new horizons of resources in Nigeria, especially its oil resource, thereby evoking renewed interest by external actors.

There is a strong likelihood that Indian oil companies will invest in downstream, midstream, and transmission infrastructure in African countries, including Nigeria, which is necessary, but less profitable. It is of utmost importance for Nigeria to invest in refining facilities, as it is forced to import petroleum products due to the lack of domestic technological and infrastructure facilities to process its petroleum resources.It should also be noted that the Indian government and companies do not carry any traces of 'imperialist' baggage compared to some of their Western counterparts (Mahajan, 2007).

Since Nigeria has become a major source of crude for India in recent years, Nigeria has become an important resource for our energy security concerns. India imports between 8 and 12 percent of its crude requirement from Nigeria, so Nigeria plays an important role in our energy security. Apart from trade in hydrocarbons, the Indian presence has reached a critical stage in Nigeria's upstream sector where it is now participating in both the upstream and refining sectors. "India is currently Nigeria's second largest trading partner. With a population of 168 million and considerable revenue from oil exports, Nigeria is the largest trading partner of India in Africa. Nigeria is also the largest market in Africa for Indian exports. A large number of Indian companies have footprints in Nigeria, which have made substantial investments in Nigeria. Bilateral annual trade turnover was over US$ 17.3billion in 2011-12 registering the growth of over 34 per cent" (Affairs, 2013).

"Over 100 Indian companies are estimated to have footprints in Nigeria. Prominent among them being Bharti Airtel, Indorama, Olam International, Tata, Bajaj Auto, Birla Group, Kirloskar, Mahindra, Ashok Leyland, NIIT, ApTech New India Assurance, Bhushan Steel, KEC, Skipper Nigeria, Dabur, Godrej and Primus Super-speciality Hospital. India has pole positions in Nigeria's pharmaceuticals, steel and power transmission sectors. Nigeria-based ethnic Indians are economically very active in such areas as consumer manufacturing and retailing, construction and air-services. The Indian Products and Services Exhibition (IPASE) was held in Lagos twice in January 2011 and in March 2012 showcasing Indian products and services" (Affairs, 2013).

Apart from India's growing trade and invest linkage with Nigeria, New Delhi undertakes development cooperation in its partnering country through its provision of Lines of Credit (LOCs) and capacity building programmes.India provides LOCs to enable people in Nigeria to access Indian goods and services on affordable terms.LOC worth US $100 million was provided in 2012. "Capacity-building remains the core component of the India-Nigeria engagement. In February 2009, the inauguration of Pan African e-Network Project at TCIL, New Delhi by the then Indian External Affairs Minister Pranab Mukherjee, was attended by Prof. Dora Akunyili, Nigerian Minister of Information & Communication at the Learning Centre, University of Lagos. During 2009-10, Nigeria was able to utilize 85 out of 100 allotted fellowships under Indian Technical and Economic Cooperation (ITEC)/SCAAP programme. The 130 seat ITEC quota for Nigeria for the year 2010-11 was fully utilized. Following IAFS-II, Nigeria's ITEC quota for 2011-12 has been further increased to 190 and an overwhelming 177 slots were utilised. During first eight months of 2012-13, 188 slots were utilised" (Affairs, 2013).

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