

NATIONAL CONTENT CONGRESS MEXICO

LOCAL CONTENT FOR OIL & GAS: IS IT ACTUALLY WORKING?

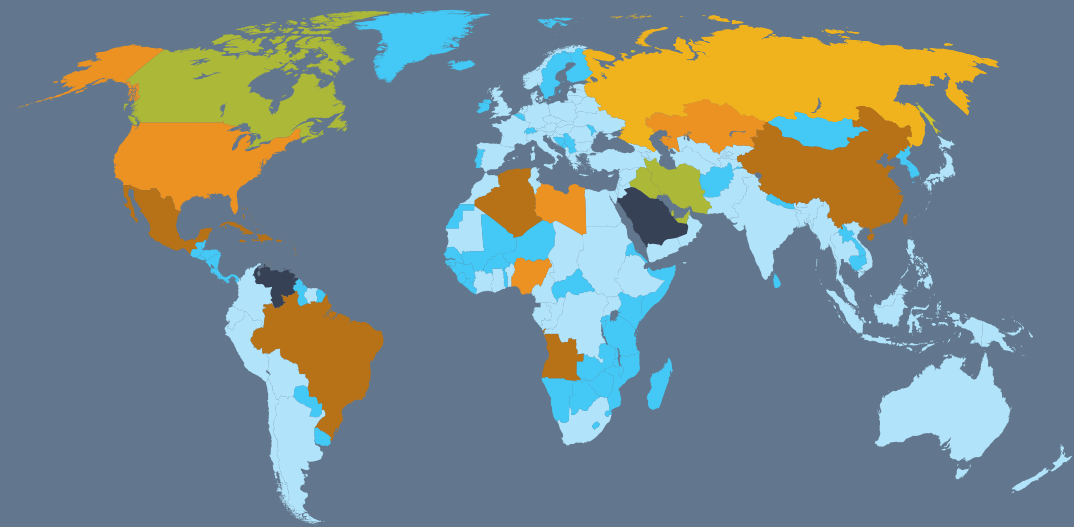
local content
['ləʊk(ə)'kən'tent]

The requirement that a defined percentage of the manpower and matériel employed in a capital project is sourced indigenously, fostering the development of the local skills base.

“WHEN PROPERLY DESIGNED, LOCAL CONTENT POLICIES CAN GENERATE OPPORTUNITIES FOR REGIONAL INTEGRATION, INTERNATIONAL TRADE AND CAN REDUCE A COUNTRY’S DEPENDENCE ON EXTERNAL AID”



Source: World Bank, 2013



GLOBAL PROVEN RESERVES WORLD MAP

>200	Venezuela (297.6)	Saudi Arabia (267.9)
100-200	Canada (173.1)	Iran (154.6) Iraq (141.4) Kuwait (104.0)
50-100	United Arab Emirates (97.8)	Russia (80.0)
25-50	Libya (48.0)	Nigeria (37.2) United States (33.4) Kazakhstan (30.0) Qatar (25.4)
10-25	China (23.7)	Brazil (13.2) Algeria (12.2) Angola (10.5) Mexico (10.3)
>10	80 countries	
0	117 countries	
NA	No Value reported	

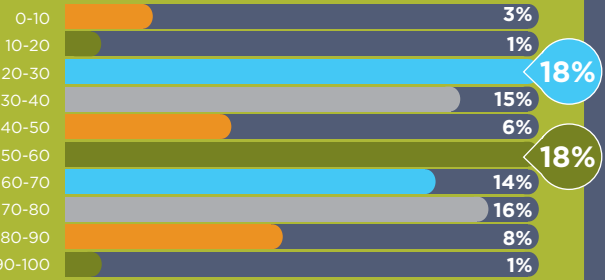
Source: US Energy Information Agency (2013)

With as much as **170 billion barrels** of proven oil reserves located in developing countries, the importance of a successful local content framework for the prosperity of emerging nations is undoubted.

BUT IS IT WORKING?

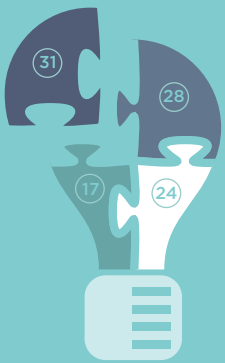
We asked our database of local content professionals just that.

WHAT DO YOU THINK IS AN APPROPRIATE PERCENTAGE OF A PROJECT TO BE RESOURCED LOCALLY?



WHERE DO YOU FEEL YOUR GREATEST COMPETENCY GAP IS?

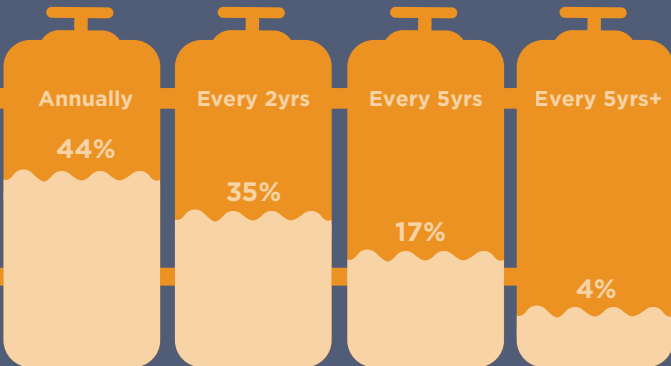
- Local service/ solution provider support
- Supplier development programmes
- Technology transfer
- Educational/ academic programmes in the context of oil and gas/ mining



WHAT DO YOU SEE AS THE GREATEST CHALLENGE IN DEVISING A LOCAL CONTENT POLICY/STRATEGY?

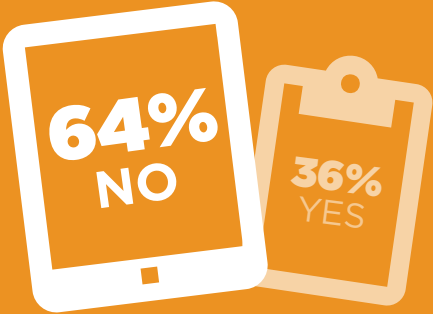
- The research and initial industry survey involved in the drafting of a policy **15%**
- Finding a happy medium between attracting investment and ensuring that you're protecting your country/ organisations best interests **34%**
- Measuring the success/ metrics of a given programme **26%**
- Revision and setting realistic, tangible targets **25%**

HOW OFTEN DO YOU REVISE YOUR STRATEGY/ POLICY?

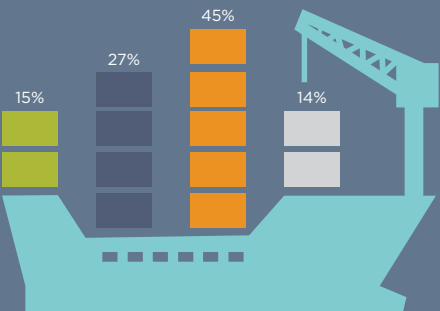


POLICY FORMATION

HAVE YOU EMPLOYED THE USE OF CONSULTANTS IN DRAFTING YOUR POLICY OR PROGRAMME?



DO YOU FEEL YOUR POLICY IS EFFECTIVE?

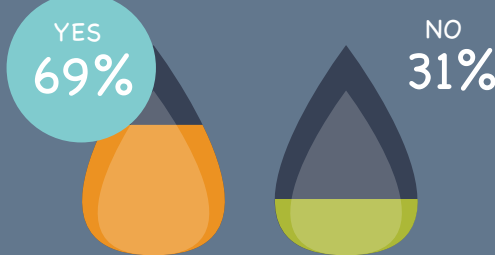


YES COULD IMPROVE MIDDLE OF THE ROAD NO

DOES YOUR POLICY OFFER BALANCE BETWEEN ATTRACTING INVESTMENT AND DOMESTIC BENEFIT?



ARE LOCAL CONTENT POLICIES REALLY EFFECTIVE ENOUGH AT RETURNING TANGIBLE BENEFITS TO THE ECONOMIES OF OIL AND GAS HOLDING NATIONS?



SELF ASSESSMENT

WHO DOES IT BEST? >>>

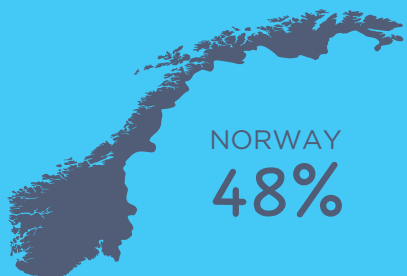
GHANA
8%



NIGERIA
14%



BRAZIL
30%



NORWAY
48%

The first event of its kind, National Content Congress Mexico will explore Mexico’s energy reform, what it means for investors and how regulations will develop leading up to 2025. Join key industry representatives from AMESPAC, Petróleos Mexicanos, Arendal, Energy and Climate Change en Centro de Investigación para el Desarrollo A.C. (CIDAC) and the Mexican Institute of Petroleum at this unique forum. For more information visit www.nationalcontentmexico.com or email enquire@oilandgasiq.com or call +44 (0)20 7036 1300