

Petroleum Commission to up local content requirement in oil & gas sector

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The Petroleum Commission has served notice it will by the end of the year increase the local content requirement for foreign companies operating in the oil and gas sector.

The move follows the Public Accounts Committee's (PAC) call on the Commission last month to expedite action on developing the required local technical skills that will enable the country take control of the production and management of its oil resources.

Contained in the audit report of the Auditor General on the implementation of local content in the oil and gas space of Ghana, PAC also advised the Commission to support local firms to raise capital to enable them increase their shareholding in future oil blocks.

In November, 2013, LI2204 was promulgated to inter alia promote maximisation of value-addition and job creation through the use of local expertise, goods and services business, financing in the petroleum industry value chain and their retention in Ghana. The Local Content Committee established by the Board of the Commission is required to oversee the implementation of LI2204.

Currently, there are a number of services which have been reserved for locals under the act that established the commission. But many local firms are unable to meet the requirements.

Speaking at the first local content procurement conference in Accra, the CEO of the Commission Egbert Fabille Jnr hinted that the local content requirement will be upped to ensure Ghanaians are playing critical role in the production and management of the country's oil and gas resources.

Also, he warned that the Commission will not approve petroleum contracts that do not fulfill the three months' mandatory notice ahead of its implementation.

"...From April 1, anybody in the upstream sector who has any contract of a hundred thousand dollars and above to give up, will have to submit that contract to the Petroleum Commission at least two months before the award of the contract so that we will get to know what is involved and will alert all those companies that could put in bids to do so; the time for short term and knee-jerk approaches is over," he said.

Touching on the Mr Faibille said, "The Conference is in fulfillment of the commitment of the Board and management of the Commission to ensure transparency in the upstream oil and gas tender process and promote participation of indigenous Ghanaian companies in the provision of goods and services in the sector."

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