



GUYANA OIL & GAS
ASSOCIATION INC

Marak Alliance

PROTECT, PROMOTE, ADVANCE THE RESPONSIBLE DEVELOPMENT OF OUR OIL AND GAS ECONOMY

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PRESS RELEASE

UPDATE – DATE CHANGE TO 04-05 Dec 2018

Guyana Oil and Gas Association in collaboration with Marak Alliance to hold the First Oil and Gas Local Content Conference in Guyana - A Roadmap to Value Addition and Sustainability

Following the massive oil discoveries in offshore of the Cooperative Republic of Guyana, our country has the opportunity to achieve a new path of sustainable economic growth and development; through applicable Local Content Policies and Strategies that can produce maximum economic benefits for our economy.

However, the main questions to address at the first stage is; what is Local Content? Local content is the value that firms generate in the economy through the procurement of local goods and services.

Local-content legislation and policies in emerging oil and gas producing countries such as Guyana have become a key priority of host governments and industry players alike. Increasingly, more resource-rich developing countries like Guyana are enacting local-content legislation as a means of maximizing the benefits to be gained from their petroleum industries.

The purpose of developing national local content policies is to increase the value generated by the exploitation of a resource that remains in the domestic economy; and to develop linkages between the oil sector and the rest of the economy. What matters is not only what happens in the sector, but what happens beyond. As such, local content can encompass forward, lateral and backward linkages. Backward linkages are those created by the commercial relations between oil operators and their supply chains, which include the transfer of technology and know-how, employment of nationals, and sourcing local goods and services. Lateral linkages utilize the demand of the sector to develop skills, services and infrastructure that can positively impact on other sectors of the economy while allowing locals to participate in the petroleum supply chain. Forward linkages involve the construction of facilities that process and export these resources, such as refineries and petrochemical facilities.

Furthermore, local content good practice is based on the idea of creating ‘shared value’, which is a business strategy designed to achieve both project competitiveness, stability and economic development in the local community and host country. Projects can create shared value by generating and growing economic opportunities related to their workforce, local supply chain and surrounding communities, in ways that also support their economic needs.

Hence, this value is measured in terms of national direct and indirect jobs created and the commercial linkages and the positive economic effects generated when local firms act as suppliers

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and employees. Local content is based on two simple but powerful ideas: create jobs at home rather than abroad and channel business to domestic rather than to foreign firms.

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Therefore, the First Local Content Conference and Exhibition in Guyana is an opportunity for policy makers and companies, subcontractors, academics, consultants, the local business community and other interested stakeholders to deliberate on how local development in the emerging energy industries can benefit the creation and growth of value in the country. Participants will have the opportunity to learn and interact with decision makers from countries that have implemented similar policies, from international academics and consultants who have researched the economic benefits and challenges of these policies, from oil companies' experiences with local content strategies and from the local business leaders.

The event will be held on December 04 and 05 at the Arthur Chung International Convention Centre (ACICC), Railway Embankment Road, Georgetown.

The organizers of the event are working with key government authorities, the local business community and international participants to deliver a forum that will achieve the objectives of improving the local content principles and pillars of Guyana' emerging oil and gas economy.

Additional communications and information will be shared with the public within the coming weeks.

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