#### DISTRICT SENSITIZATION DURBAR ON OIL AND GAS

# PETROLUEM SECTOR; THE LOCAL CONTENT

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# **IMPORTANCE OF OIL**

Oil has become the world's most important source of energy since the mid-1950s **USES** 

The largest volume oil products are used for fuel:- Diesel fuel, Fuel oils, Gasoline(Petrol), Jet fuel, Kerosene, Liquefied petroleum gas (LPG)

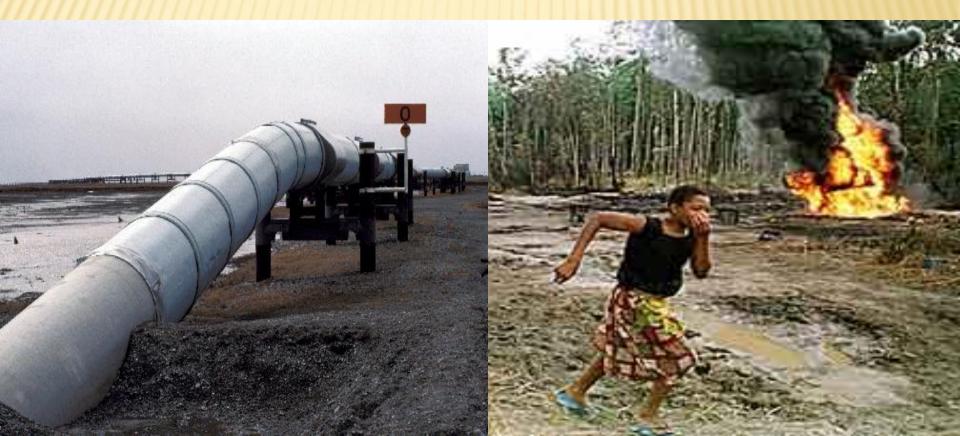
#### **Other uses**

Raw material:- chemical products, pharmaceuticals, solvents, fertilizers, pesticides, and plastics. Asphalt, Lubricants (produces light machine oils, motor oils, and greases) Wax, Sulfur or Sulfuric acid.

Cosmetics, etc.

#### **IMPACTS OF OIL EXPLICITATION** Environmental & Health Impacts

- Gas flaring, leaks and spills, Infrastructure, Traffic & congestion, increase sea traffic, etc.
- Diesel fuel pollution, impacts on marine ecosystems, soil, air and water,
- Acid rain, gas flaring, Pipelines laying, cancer and asthma.



#### **Social & Economic impacts**

Crime, Promiscuity, Alcoholism, Break in social order, community unrest, violence, kidnapping, pirating, introduction of foreign cultures,

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- interfere with fishing,
  - Dutch Disease'
  - Livelihood pressures
  - Increased Cost of living



# **MANAGING GHANA'S OIL INDUSTRY**

There are three main segments and activity phase in any petroleum industry that a petroleum nation must regulate

#### **Upstream activities;**

 (pre-licensing, field development, licensing, exploration and appraisal, planning for development and production operations, petroleum production and Disposal to primary customers)

### **Midstream activities**

Marine transportation and pipelines

### **Downstream activities**

- × Refining and processing
- Downstream marketing and retail activities



# HOW

## **Upstream activities;**

- Transparency in contracts.
- Involvement of competent expertise for process monitoring. (expenditure, contracts agreements, operations, etc).
- Ensuring adherence to laws
- (international, national, environmental laws, etc)

## **Midstream activities & Downstream activities**

- Refining and processing in Ghana
- Ensuring value addition (Allied industries).
- Developing a comprehensive local content

### LOCAL CONTENT

> Development of strategic local business;

(Midstream and the Downstream activities.)

- Development of indigenous enterprises (Influx of people and allied businesses)
- × Capacity building of natives to take over

# **GOVERNMENT'S ROLE**

Good environment for local participation. > (Policy; Contracts and Agreements) Individuals and host communities (initiative for the community lead local content.)

#### **Generation of capital for local content**

- (financing of local businesses, flexible bank loans, partnerships, investments, etc)
- **Capacity building and higher learning**
- Petrochemicals and related studies.
- (Scholarships, bursaries, study loan, grants, etc)

## **Developing of Technical & Vocational Skills**

- Hospitality services
- × Soap making, sewing,
- Batik tie & dye,
- Fashion & dressmaking,
- Hairdressing, beauty therapy,
- × IT and secretarial skills.
- × Welders, Auto mechanics,
- × electrical work,
- computer technicians,
- Building: carpentry,
- mason and bricklaying,
- plumbing and fitting.Etc.

