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1. WHY DO YOU THINK SUSTAINABLE LOCAL CONTENT POLICY IS NECESSARY IN AFRICA'S OIL AND GAS INDUSTRY?

In many African countries, the exploitation of extractive resources has yielded large fiscal revenues and created important opportunities for economic growth and sustainable development. However, most African oil- and gas-rich countries export their extractive resources as raw materials with little value added and therefore have not been able to transform their resource wealth into sustainable economic development gains that benefit the rest of the economy. The high dependence on extractive resources makes these countries vulnerable to market price fluctuations. Underdeveloped linkages with the broader economy, as a result of the enclave and capital-intensive nature of the extractive sector, lead to the sector's limited contribution to job creation and economic diversification. Such a gap could be addressed by strengthening local participation in the sector through sustainable local content policies.

With the help of a sustainable local content policy, countries can respond to the challenge by moving away from exports of unrefined or semi-refined commodities to the creation of downstream industries that would spur economic development and diversification.

2. HOW CAN A SUSTAINABLE LOCAL CONTENT PROGRAM BE IMPLEMENTED IN THE AFRICAN OIL AND GAS PRODUCING COUNTRIES? WHAT HAS BEEN THE KEY HIGHLIGHTS OF UNCTAD'S EXPERIENCE TO DATE?

UNCTAD provided assistance to African oil- and gas-rich countries through its research, consensus building and technical cooperation activities. The very recent example is an UNCTAD project on strengthening the capacity of the countries of ECCAS to enhance potential development linkages from the mineral resources sector to the rest of the economy. The project targets three ECCAS countries (Chad, the Congo and Equatorial Guinea) that have high dependency on hydrocarbons, mainly oil. The project is financed by funds from the ninth tranche of the United Nations Development Account. It aims at developing capacities to design and implement participatory strategies for creating and strengthening sustainable domestic economic linkages to activities related to mineral exploitation. To achieve its objectives, the project has undertaken a variety of activities with a focus on strengthening institutions, fostering research collaboration and stimulating dialogue between stakeholders. These activities include capacity-building workshops and study tours to develop knowledge in areas such as development of suppliers to the sector, local content policy implementation, value addition and transfer of skills.

3. WHAT ROLE CAN LOCAL ENTERPRISES PLAY IN PROMOTING A SUSTAINABLE LOCAL CONTENT POLICY IN AFRICA'S OIL AND GAS INDUSTRY?

Local enterprises play a critical role in promoting a sustainable local content policy. From our experience on the ground, African enterprises, especially those SMES, face grave challenges in participating in the oil- and gas-value chain, in terms of access to finance & infrastructure, lack of skills and insufficient information flow. For example, SMEs and other

local enterprises in the extractive sector underscored that limited access to affordable finance constrained their participation in the extractive industry. Lack of finance has stifled growth of SMEs and hindered their ability to invest in the new technologies and equipment needed to compete with international suppliers on quality and cost. Local banks required collateral amounting to 100–150 per cent of the loan amount and terms were inflexible, effectively making their services inaccessible to SMEs. We also find that SMEs and other local enterprises in the project countries lack the technical and managerial skills to capitalize on backward and forward production linkage opportunities in the extractive sector. Among other factors, stakeholders in the project countries expressed that there are too few vocational training institutions to fill the skills gap. Governments could review whether the curriculum at existing institutions responds adequately to industry demand. Last but not least, poor information flow on opportunities related to local content negatively affects both multinational contracting companies and potential local contractors. In the project countries we have worked on, multinationals have difficulty identifying qualified local suppliers due to the absence of a central, public registry for such firms. For SMEs, there are few communication channels through which they can learn about opportunities in the extractive sector, leaving them with the impression that the sector is closed to them.

4. WHAT ARE YOUR EXPECTATIONS FOR THE 2019 AFRICAN LOCAL CONTENT SUSTAINABILITY SUMMIT?

I really hope the Summit will put home-grown policies at the center of the debate and stimulate countries to come up with concrete and country-specific solutions to effectively promoting sustainable local content development in their oil- and gas-rich sectors.