

Industrial Strategy and Sector deal

Focus for sector deal

Oil & Gas UK response on the Industrial Strategy



April 2017

OIL&GASUK

1

UK Energy policy

2

Globally competitive industry

3

World leading supply chain

4

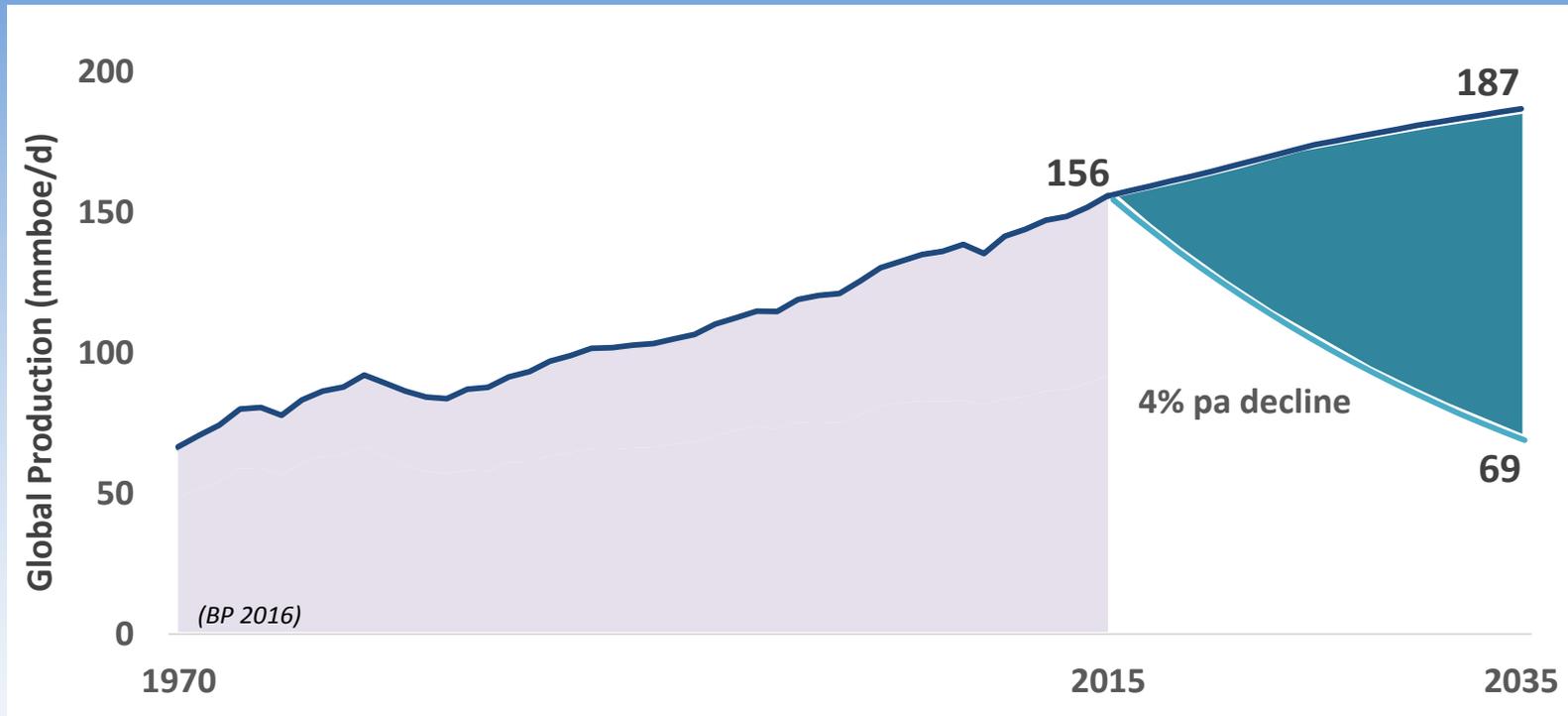
Oil & Gas Research & Innovation

5

Flexible talent pool

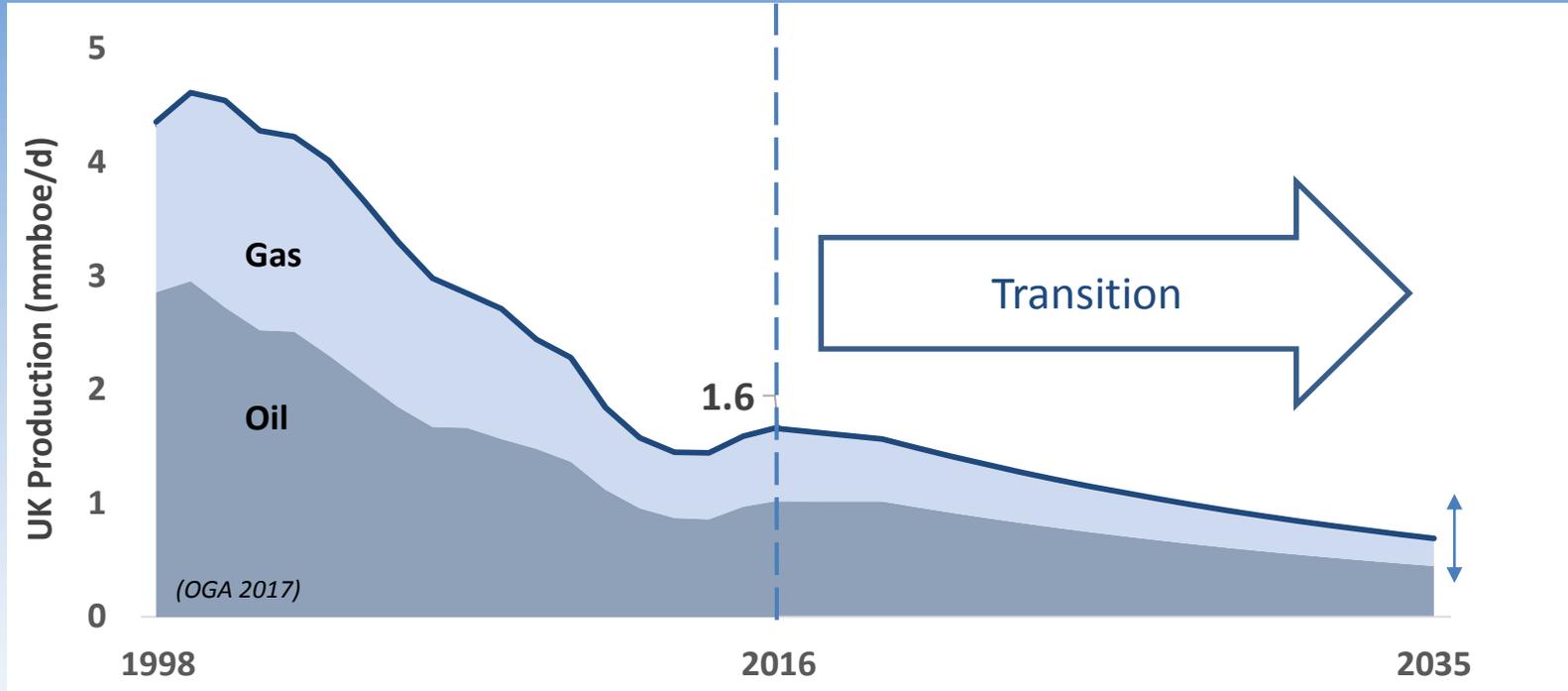
- Industrial Strategy and Sector Deal represents an unique opportunity
- Builds on existing track record

Global opportunities are likely to be substantial ...



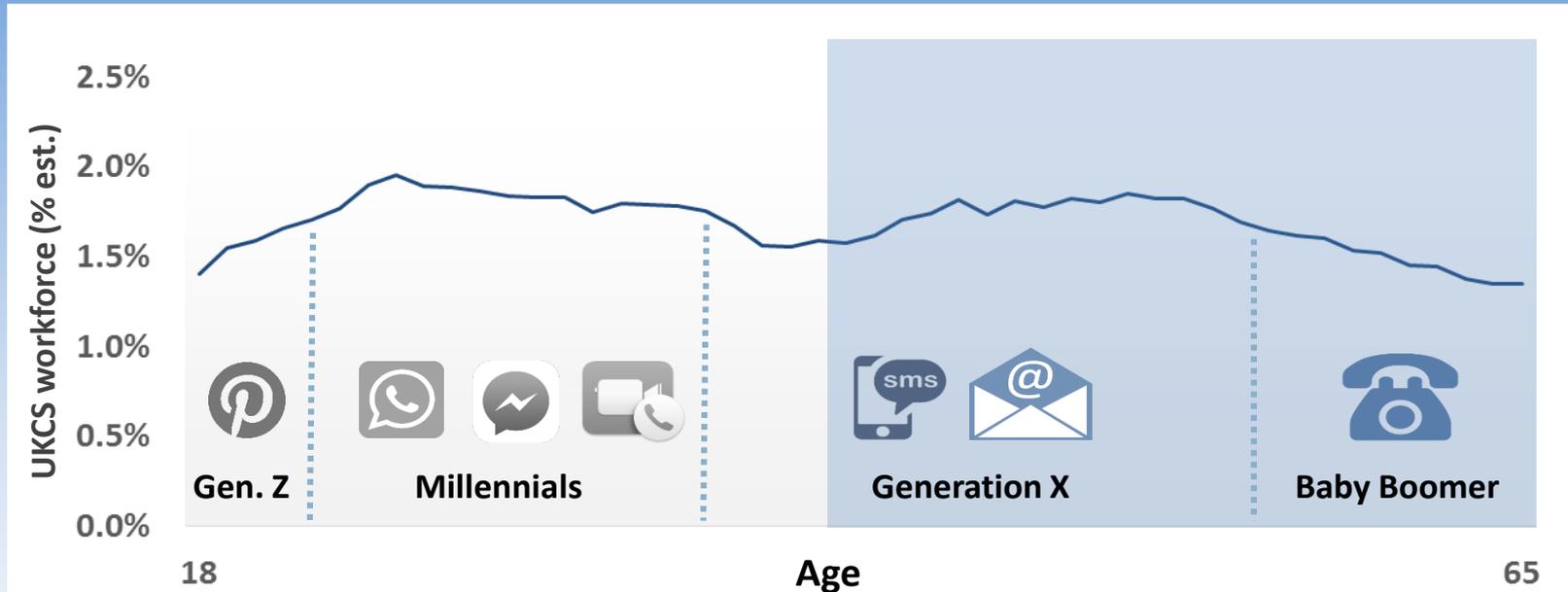
- Need to develop c. 120 million boe/d new production by 2035
- Technology & innovation will transform the landscape
- UK supply chain well positioned to support international activities

UK dynamics are changing



- Continued requirement for core oil and gas related skills
- Increased focus on internationalisation and exports
- Transition to low carbon energy will require new skills & competencies to be developed

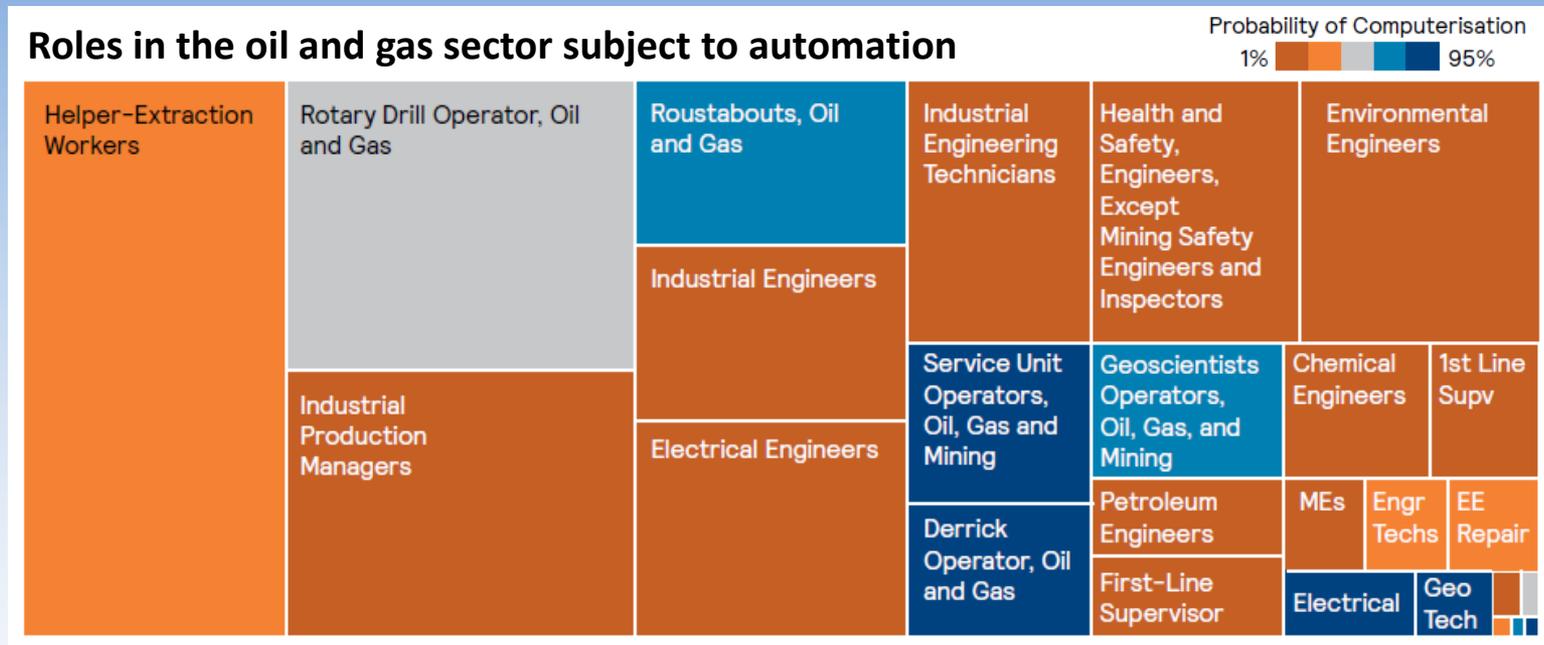
Demographic changes will be a key contributor



- OGUK estimates c. 186,000 people employed in UKCS in 2016 directly and indirectly (1)
- Roughly half are likely to retire in the next 20 years
- ‘Baby boomers and Generation X’ will be replaced by ‘Millennials and Generation Z’

(1) Oil and Gas UK Economic Report 2016 – c. 34,000 direct and c. 152,000 indirect

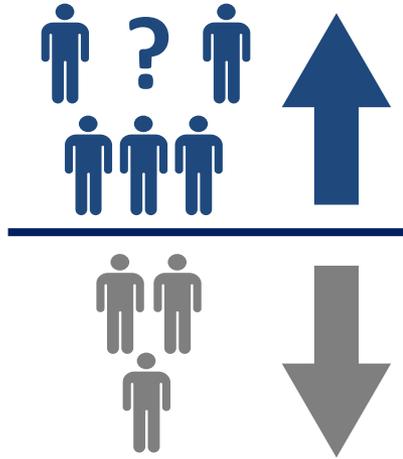
.. and automation and computerisation will likely to change the skill requirements for the sector



Illustrative only

- Technology and automation will materially impact certain oil and gas roles
- Need an even more flexible workforce in the future to support the sector

The change is already happening ...



- Internationalisation & new opportunities
- UK as centre for Technology/Innovation
- Transition to low carbon energy

- Attrition
- Basin decline
- Efficiency, optimisation & automation

- UKCS skill and capability requirements are evolving
- ‘Doing nothing’ is not an option
- Sector deal represents an unique opportunity

The Sector Deal represents an unique opportunity



Education, training & development
(core skills, up-skilling/re-skilling)



New skills development
(linked to technology & innovation)



Internationalisation skills

- Flexible and skilled talent pool will be critical to the longevity of the industry
- Sector deal request to be formulated in 2017/18
- Funding request likely to be linked to industry adoption and implementation



In summary

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