

Local Content 2.0. A New Concept Based on the OMV Petrom Community Program “Made in Andrei’s Country” in Romania

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Abstract: Globally, there is an increasing expectation that oil and gas companies will deliver benefits beyond taxes and royalties. One of the ways that companies meet those expectations is through promotion of local content via employment creation and supplier development. Two dynamics are changing this traditional approach. First, the industry has introduced significant enhancements and these have reduced the need for hires. The second dynamic is the need to redefine local content in the context of a developed country. What social and economic benefits can a company deliver in a country where the industry is mature and the labor market is developed? Take the case of OMV Petrom in Romania. The country’s oil and gas industry is well-established and constantly optimizing operations by applying modern technology. This led to a decrease in the number of workers needed. It has also made it challenging for local suppliers to offer their services. In this environment the “Made in Andrei’s Country” program was developed to tackle the issue of local workforce & supplier development in a different way. OMV Petrom’s approach was to look beyond the needs of the oil and gas industry and provide support for communities and suppliers to prepare for opportunities outside the industry. In the same way that the term “Web 2.0” defined an advance in internet technology, the term Local Content 2.0 is used to redefine the traditional approach to local content. The term was also appropriate in that the program planned to use the internet and social platforms as instruments to communicate activities and requirements, as well as a vital feedback channel.

Keywords: OMV, Local content, Local content 2.0, Local workforce and supplier development.

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