

Our country has begun to produce and export significant quantities of oil from the Jubilee field. There is also now a pipeline of oil and gas development projects from new discoveries in the past three and a half years. In addition to the Jubilee field, another eleven oil and gas discoveries have been made since President Mills assumed office. The last discovery was made less than a week before the passing away of President Mills. These include discoveries by three other groups of companies apart from the group involved in the Jubilee field. There is already much progress in appraising these new discoveries and it is anticipated that development of at least one of them will begin before the end of the year. Additionally, further exploration activities are ongoing and new petroleum agreements are also about to be entered into. The prospects that Ghana has for even more oil production in the years ahead are extremely good. All this gives us a long-term horizon for securing revenues from these resources and planning our future with realistic expectations.

Let me stress that we do not see the prospects in this sector just in terms of revenues from oil exports. The natural gas resources that are associated with oil production are also extremely important for us. These are capable of becoming a fuel for transforming our economy by, for instance, reducing the cost of our power generation which has, unfortunately, become increasingly dependent on expensive imports of crude oil. We will address squarely the challenges that we have faced in respect of the gas project and ensure that gas from the Jubilee field begins to be monetized within the coming year. Once the gas processing plant is operational it will also enable us derive liquefied petroleum gas (LPG) from the Jubilee field to help avert the shortages of liquefied petroleum gas that we have been experiencing. Natural gas from our own field will also then become reliably available to fuel the thermal plants at Aboadze and Tema.

Our disappointments over the reliability of gas supply through the West African gas pipeline must not make us skeptical about the value of regional co-operation projects of this nature. We will initiate a dialogue with the Government of Nigeria as well as the Governments of Togo and Benin, who are all participants in this important initiative of regional co-operation to address issues about the performance of the West African gas pipeline and how it can contribute to greater security of energy supply throughout our sub-region.

Another major thrust of our policy in respect of the oil and gas industry is ensuring integration into our national economy. This is why local content, including local job creation, is critical for us. We are going to hold companies to compliance with provisions in the agreements that they have entered into that require them to employ Ghanaians to the maximum extent possible in all aspects of their operations. Let me be quite blunt. We will not sit back and have qualified Ghanaians unemployed while companies bring in expatriates to fill positions that Ghanaians are perfectly capable of occupying. The targets that were set for employment of Ghanaians as well as their training in the Development Plan approved for the Jubilee field in July 2009 have to be adhered to. The Minister of Energy is communicating with the companies in respect of compliance with commitments they made which apply to all their subcontractors as well. Companies must go out of their way to look for qualified Ghanaians to employ. Government is committed to facilitating this process of identifying qualified Ghanaians for engagement at all levels of oil and gas operations.

We expect that as further Development Plans for bringing the other fields into production are prepared, even higher levels of local employment and training will be provided for than there were in the Development Plan of the Jubilee field. Again, there already are provisions in our law and in the agreements with our partners for preference to be given to local goods and services in the procurement of what is needed for the oil and gas operations being undertaken in Ghana. Procurement practices of companies must explicitly reflect this local content preference. Based again on lessons from the Jubilee field development and the greater familiarity that companies investing in this sector must increasingly now have with available local capacity in manufacturing and provision of services, future field developments must have significantly more local content. Ghanaian industrialists and entrepreneurs must also be proactive in positioning themselves for supplying the goods and services required by the oil industry. Government has engaged local industry in an extensive dialogue and is initiating capacity strengthening initiatives that will ensure greater preparedness of local industry for the requirements of the oil and gas sector.

We know that enormous amounts of risk capital are deployed in oil and gas ventures and investors who take such risks are entitled to their fair share of the results of success. But we also expect that these investors will pay the country its due as the resource owner. We expect accuracy and transparency in their accounting to us and we will ensure that they pay promptly and honestly various taxes they are required to pay to the country, whether corporate income tax or capital gains tax when they divest of their interest and obtain huge capital gains. Our national institutions, including the revenue agencies, will be given the necessary technical support to play their roles towards this end and we trust that our investor partners will readily comply with our laws.

We are paying particular attention to strengthening our national institutions so that we are not simply overwhelmed by powerful foreign companies. We do not share the view that some appear to have that our partnership with foreign partners in this sector should make us simply depend on their expertise and financial capacity while our national institutions are pushed back into a passive or secondary role. Experiences all over the world, whether in Brazil or Norway, whether in Malaysia or Qatar, whether in Trinidad and Tobago or in China - the examples are too numerous to mention individually - show clearly the vital role that strong national institutions must play if we are to obtain the expected benefits of oil and gas production for Ghana.

Through the Petroleum Revenue Management Act 2011 (Act 815) and the establishment of the Public Interest and Accountability Committee we are seeking to institutionalise transparency and prudent management of resources from our oil revenues. We must institute a culture of rigorous adherence to the legislation and to best practices for ensuring that oil provides real and enduring benefits for us and future generations. We also intend to support the Public Interest and Accountability Committee with national resources so that it can operate effectively and independently of vested interests.