NEW ERA (STATE DAILY) - BUSINESS (NAMIBIA) · NAMIBIA · OFFSHORE

Namibia risks losing oil gains to foreign firms

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Namibia's emerging offshore oil and gas industry could generate tens of thousands of indirect and induced jobs, but the country risks forfeiting much of that economic potential to foreign companies unless local businesses and workers are adequately prepared, according to economic analyst Klaus Schade. The warning comes as large-scale offshore discoveries have raised widespread expectations of employment and prosperity across the country.

Schade's analysis centres on a structural vulnerability common to frontier oil economies: without deliberate investment in local capacity, the bulk of contract value and skilled employment flows to established international service providers rather than domestic firms. Namibia's offshore sector, still in pre-production development phases, is at a critical juncture where supply chain decisions and local content frameworks will shape the long-term distribution of economic benefits for decades.

The concern is not merely about direct employment on rigs and platforms. Indirect and induced job creation — in logistics, fabrication, catering, engineering support, and professional services — typically outpaces direct oilfield employment in developing producer nations. If Namibian businesses lack the technical certifications, financial capacity, and operational track record to compete for these roles, international firms will fill the gap by default. Schade's warning implies that the window to build that readiness is narrow and closing as development timelines advance.

Local content policy is therefore emerging as a central policy debate alongside the technical and commercial milestones of field development. Namibia will need to balance the speed and efficiency demands of international operators — who face their own cost and schedule pressures — against the developmental imperative to grow domestic participation. Establishing clear, enforceable local content thresholds, joint-venture requirements, and skills development levies are tools other African producer nations have deployed with varying degrees of success.

The skills dimension is equally pressing. Offshore oil and gas operations require highly specialised competencies in subsea engineering, well services, marine logistics, and HSE management. Building that workforce cannot happen reactively once production begins; it requires sustained investment in vocational training, university-level petroleum engineering programmes, and apprenticeship pipelines tied to actual project timelines. Without a credible national skills strategy, Namibia's citizens risk being bystanders in an industry extracting wealth from their maritime territory.

Schade's intervention reflects a broader recognition that resource discoveries do not automatically translate into development outcomes. The structure of participation — who holds contracts, who fills jobs, who captures value — is determined by policy choices made before first oil, not after. As Namibia's offshore projects move closer to final investment decisions, the pressure on government, operators, and local industry associations to align on a credible local content framework is intensifying.

Why this matters to partners and clients of Saga

This is a policy and capacity-building story at pre-FID stage — no contracts are open and no procurement outreach is appropriate yet. Norwegian service companies should monitor Namibia's local content regulatory developments closely and begin early-stage relationship-building with Namibian industry associations, chambers of commerce, and government bodies shaping the local content framework. Positioning now — through joint-venture expressions of interest with Namibian firms or participation in capacity-building programmes — will be decisive for contract competitiveness once operators move to tender.

PARTNER ANGLES

- **Subsea/FPSO:** Track emerging local content thresholds for subsea installation and FPSO topside work; identify Namibian fabrication or marine partners for future joint bids before tenders open.
- **Drilling:** Engage with Namibian technical training institutions to co-develop rig crew apprenticeship programmes, building both local goodwill and a qualified local labour pipeline ahead of drilling campaigns.
- **Well Services:** Monitor whether Namibia's local content rules will require in-country well services partnerships, and assess which Namibian industrial firms could serve as compliant local partners.
- **LNG/Pipeline:** If gas monetisation infrastructure follows oil development, early engagement with Namibian engineering consultancies could establish preferred-partner status for future midstream scopes.
- **Service:** HSE, logistics, and marine support services face the most immediate local content pressure; mapping Namibian subcontractor capacity now reduces future compliance risk.

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