



## **Brazilian Petroleum Partnerships (BPP)**

Promoting Joint Ventures between American and  
Brazilian Companies

OTC 2015

May 4<sup>th</sup>, 2015



# ONIP – National Organization of the Petroleum Industry

## INDUSTRY

Logos of industry associations: ABDIB, abnee, ABIMAO, ASSEPRO, ABRAPET, ABCE, abemi, ABES Petro, SINAVAL, ACO, Abeam, ABICAN, SEBRAE, Fenaseg.

### NATIONAL INDUSTRY SYSTEM

Logos of the National Industry System: CNI, Sistema FIEMG, Sistema FIESP, Sistema FIERGS, FIEPE, Sistema FINDES, Sistema FIEB.



Logos of Federal Government entities: ANP, BNDES, ABDI, FINEP, Ministério do Desenvolvimento, Indústria e Comércio Exterior.

Logos of operators: IBP, PETROBRAS.

Logos of State Governments: GOVERNO DO Rio de Janeiro, GOVERNO DE MINAS, GOVERNO DO ESTADO SÃO PAULO, Bahia GOVERNO, ESPÍRITO SANTO, GOVERNO DO ESTADO PERNAMBUCO, Rio Grande do Sul, GOVERNO DO ESTADO.

## FEDERAL GOVERNMENT

## OPERATORS

## STATE GOVERNMENT

# Mission

A large graphic on the left side of the slide shows a blue and white globe. Overlaid on the globe are several black silhouettes of people holding hands in a circle, symbolizing global unity and community.

TO CONTRIBUTE TO INCREASE THE **COMPETITIVENESS** AND **SUSTAINABILITY** OF THE DOMESTIC INDUSTRY TO MAXIMIZE **LOCAL CONTENT** AND THE GENERATION OF EMPLOYMENT AND INCOME IN THE OIL AND GAS SECTOR

# Brazil in the global context



**Total Oil Supply - 2014**  
(Thousand Barrels Per Day)

	<b>World</b>	<b>93.003</b>	
1	United States	13.973	15,0%
2	Saudi Arabia	11.624	12,5%
3	Russia	10.853	11,7%
4	China	4.526	4,9%
5	Canada	4.383	4,7%
6	United Arab Emirates	3.471	3,7%
7	Iran	3.380	3,6%
8	Iraq	3.371	3,6%
<b>9</b>	<b>Brazil</b>	<b>2.950</b>	<b>3,2%</b>
10	Mexico	2.812	3,0%
11	Kuwait	2.780	3,0%
12	Venezuela	2.689	2,9%
13	Nigeria	2.427	2,6%
14	Qatar	2.055	2,2%
15	Norway	1.904	2,0%

**Total Petroleum Consumption - 2013**  
(Thousand Barrels Per Day)

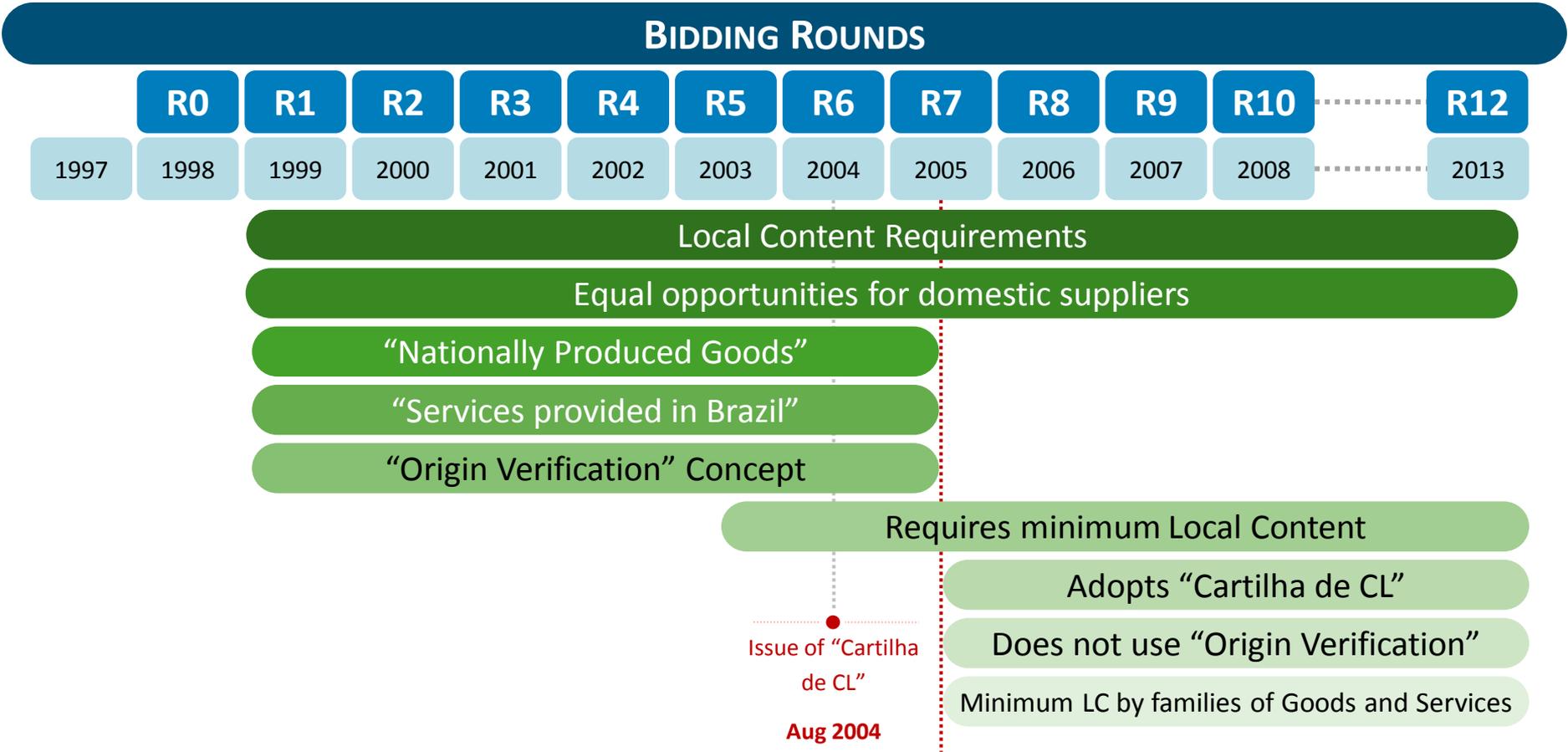
	<b>World</b>	<b>91.195</b>	
1	United States	18.961	20,8%
2	China	10.303	11,3%
3	Japan	4.531	5,0%
4	Russia	3.515	3,9%
5	India	3.509	3,8%
<b>6</b>	<b>Brazil</b>	<b>2.998</b>	<b>3,3%</b>
7	Saudi Arabia	2.968	3,3%
8	Canada	2.431	2,7%
9	Germany	2.403	2,6%
10	Korea, South	2.324	2,5%
11	Mexico	2.044	2,2%
12	Iran	1.870	2,1%
13	France	1.767	1,9%
14	Indonesia	1.635	1,8%
15	United Kingdom	1.508	1,7%

**Crude Oil Proved Reserves - 2014**  
(Billion Barrels)

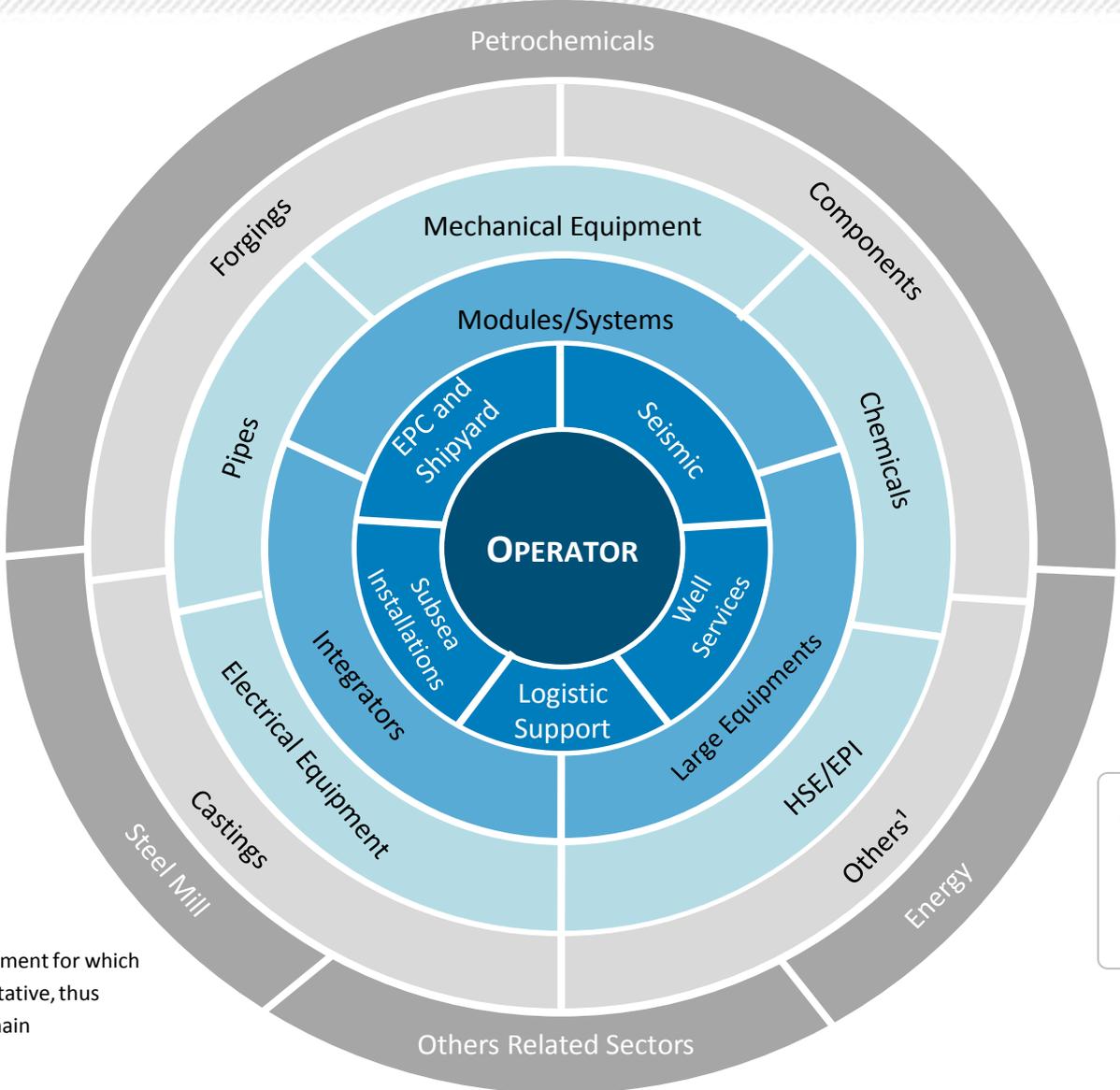
	<b>World</b>	<b>1.656</b>	
1	Venezuela	298	18,0%
2	Saudi Arabia	268	16,2%
3	Canada	173	10,5%
4	Iran	157	9,5%
5	Iraq	140	8,5%
6	Kuwait	104	6,3%
7	United Arab Emirates	98	5,9%
8	Russia	80	4,8%
9	Libya	48	2,9%
10	Nigeria	37	2,2%
11	United States	37	2,2%
12	Kazakhstan	30	1,8%
13	Qatar	25	1,5%
14	China	24	1,5%
<b>15</b>	<b>Brazil</b>	<b>15</b>	<b>0,9%</b>

Source: EIA - US Energy Information Administration

# ANP's Regulation on Local Content



# Local Content - The offshore supply chain is quite broad, covering a large number of segments



- Chain Drivers
- Direct Suppliers
- Related Sectors

<sup>1</sup> Includes all materials and equipment for which the offshore chain is unrepresentative, thus staying out of the main supply chain

# The importance of Local Content policies



## Energy Minister wants to see more UK local content

Charles Hendry says government is 'not neutral' on content issues and wants to see UK companies get their share of new work

**IAIN ESAU**  
Aberdeen

UK ENERGY Minister Charles Hendry says the UK government is "not neutral" on local content issues and he wants domestic companies to pick up the bulk of work on offer in a rash of upcoming projects.

The minister, speaking at an SPE Offshore Europe plenary session on Tuesday, said that 2011 "seems to be shaping up to be our best year for new developments in at

least a decade, on a par with some of the very early years of the industry".

He said the Department of Energy & Climate Change (DECC) is tracking a number of significant projects going forward, pointing out that he is "keen to see some of the substantial value of these developments coming to the UK".

Hendry stressed that the government is "not neutral" on this issue,

stating: "We want to see those jobs in the supply chain coming to UK companies."

He cited domestic expertise in front-end engineering and design work, as well as control systems, subsea technology and in the fabrication sector, which has "a high-quality record in building jackets and topsides".

UK yards, he suggested, have the "capacity and capability to win a sig-

nificant percentage of the work we see coming".

Hendry did not demand that operators allocate work to UK companies but instead wanted to "encourage" oil companies to award contracts locally.

"I would encourage all the operators to seriously consider this UK capability. And if they decide not to do so, I would like to know why, so we can make a better case for the

expertise in the UK supply chain in the future," Hendry said.

On taxation, Hendry understood the industry's ire over the 2011 budget tax hike but said even this cloud has a silver lining with the government's Treasury Department keen on a rapprochement of sorts.

"If there is a benefit from the subsequent discussions that have taken place between industry and government, it is the very clear recognition

*I would encourage all the operators to seriously consider this UK capability*  
Charles Hendry

of the need for dialogue between industry and my Treasury colleagues about the economics of the UK oil and gas business, the scope for allowances, the handling of decommissioning and so on," said Hendry.

He pointed out that Justine Greening, Economic Secretary at the Treasury Department, who will visit Offshore Europe on 8 September, has agreed to the for-

mation of a working group, under the auspices of the Pilot programme, to focus on fiscal issues.

This group will enable "ongoing dialogue" between industry and government "about the context in which oil and gas projects are proposed in the future".

Hendry added that both the DECC and the Treasury "want to see this lead to a much closer working relationship" with industry.

# Local content policies

## Key issues



- The oil sector represents about 10% of Brazilian GDP;
- Consensus regarding the need to increase the competitiveness of local suppliers;
- Adoption of an industrial policy specific to the oil industry;
- Joint Ventures with international companies should be one of the main issues;



# Brazilian Petroleum Partnerships



# Objectives



- **Direct**

to foster investments and technology agreements between local and international companies, generating new business opportunities and contributing to increase the local content;

- **Indirect**

to promote greater participation in the international markets;



# Priorities



- Subsea
- Equipment for supply vessels



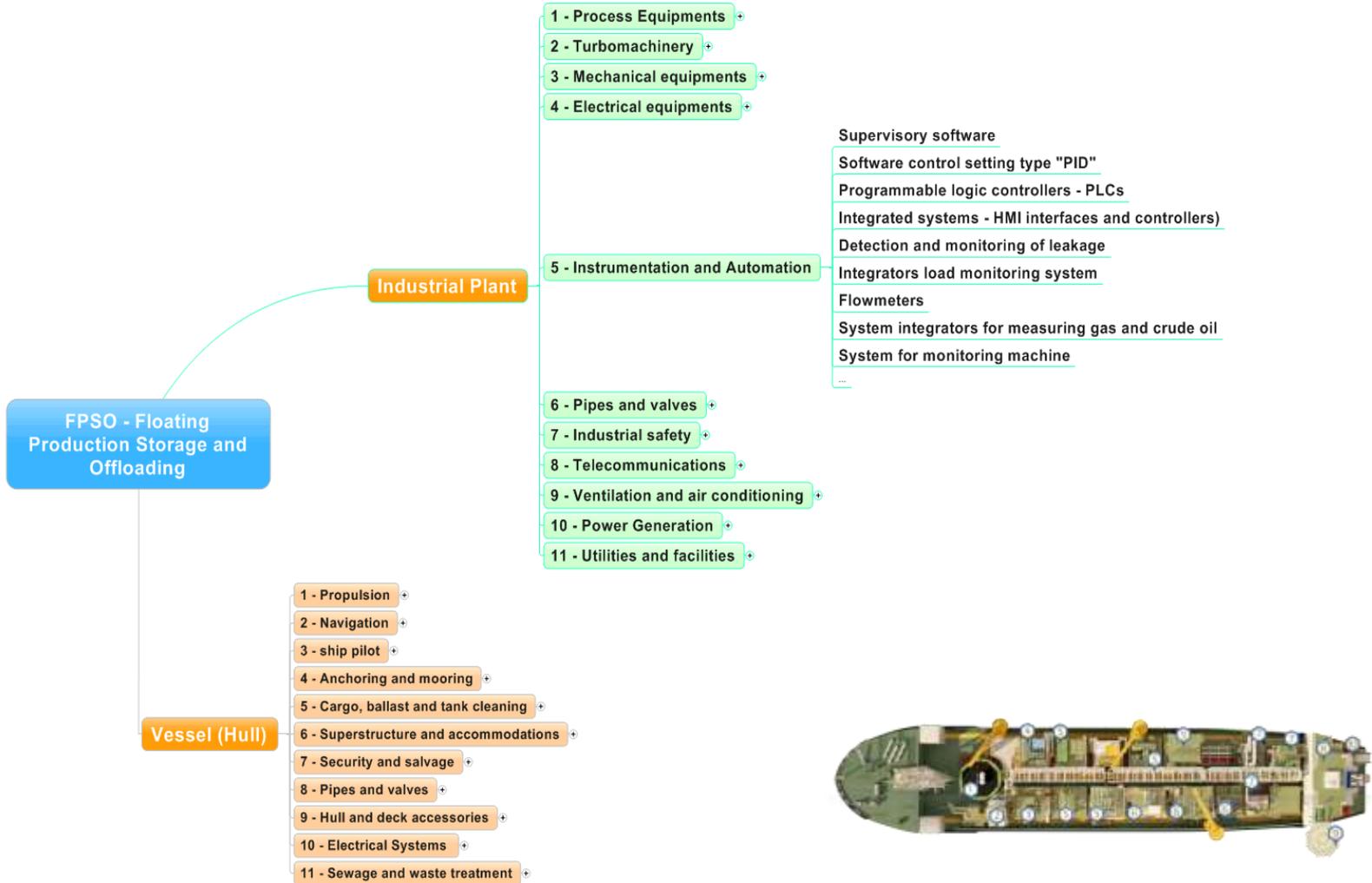
# Project details



- Phase I – identification of suitable local companies;
- Phase II – identifying technologies of interest (and suppliers);
- Phase III – business missions;



# PLATEC - FPSO



# ONIP

National Organization of the Petroleum Industry



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## Thank you for your attention

**Bruno Musso**

[jv@onip.org.br](mailto:jv@onip.org.br)

[bmusso@onip.org.br](mailto:bmusso@onip.org.br)

