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Pre-Salt: The Brazilian Opportunity to Take Local Industry to the Next Level

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Abstract

The purpose of this paper is to present the main strategies adopted by PETROBRAS and to be submitted and decided together with its co-venturers in the Brazilian Industry, to develop the designs, contracts and construction activities for the latest offshore production units in Brazil, since 2003, and also present the development of this strategy for the future Pre-Salt layer, emphasizing the challenges of transforming the opportunity into the development of a World Class local supplier industry and therefore maximizing qualified jobs and employment in Brazil.

The paper will be focused on the latest Projects and their lessons learned (ex. similarity applied to different Projects) that will contribute with the Pre-Salt development, deep water giant offshore oil and gas fields located at Campos, Santos and Espírito Santo Basins – Brazil. Conversions and new units will be presented in terms of their unique features and key Project decisions that affected their design, construction and installation.

Massive investments in Brazilian oil & gas sector will be highlighted, such as new scale of goods and services demand, and the required initiatives to improve local supplier industry competitiveness such as professional qualification, industrial infrastructure and technologies providing scale gains and increasing productivity.

In addition, we will be presenting the Brazilian Governmental Program, PROMINP, created to support the implementation of a local content policy. From the identification of the gaps related to the professional qualification, industrial infrastructure and supply of materials and equipment, and in collaboration with local industry main stakeholders, Government, O&G Operators and Suppliers Associations, PROMINP has developed and implemented a set of actions in order to increase local industry competitiveness. Since PROMINP's creation, the Brazilian industry participation (Local Content) in the oil & gas Projects increased from 57% in 2003 to 75% in 2007, what meant an addition of US\$ 8.3 billion in acquisitions of goods and services in the national market. It also has generated more than 390,000 new jobs in this period.

Introduction

Before 2003, many important Units of PETROBRAS were built in other countries, such as Singapore, Korea, Spain, etc. During this period, the Brazilian naval and offshore industries lost great part of its capabilities to provide larger Projects, mainly the ones related to offshore operation.

In 2003, the Brazilian Government has decided to revitalize this industry, including Minimum Local Content requirements in the offshore development Projects.

To attend these minimum Local Content requirements, we had the following problems to solve:

1. Lack of capacity of the main vendors, that has been caused by the long period of non-significant activities demanded by the National Offshore area;
2. Yards and shipyards needed to be retrofitted. Many of them were totally closed;
3. Little skilled labor and qualified people to provide services for all phases: Design, Procurement, Construction & Assembling and Commissioning.