

After a visit to the Houston Offshore Technology Conference in May, AAAI's Oil & Gas Director – Peter Reynolds – brings back an optimistic message on global Oil & Gas Jobs



The role of Director Oil & Gas for AAAI has its advantages. Not least of which is the fact that despite the doom and gloom surrounding the general job market and the relatively much quieter year that most recruiters have suffered in the wake of the 'GFC', demand for oil and gas expertise has remained comparatively buoyant. Even with the current oil price hovering around the \$60 mark with no one really knowing if it will go up or down, at AAAI we have managed to retain a strong client portfolio. It's strange to reflect on the fact that this time 12 months ago the oil price was approaching \$150, with talk of a \$200 barrel a likely possibility. Despite the ensuing 'big plunge' we are still being retained to seek out oil and gas talent in our global markets.

But it was with mixed expectations that I visited the Houston Offshore Technology Conference (OTC) in May along with 30 other Australian oil & gas companies mainly from Western Australia. This is one of the largest and most significant events on the O&G industry calendar, attracting over 65,000 visitors from over 100 countries. I went to network with the operators, manufacturers, engineering service companies and my fellow WA delegates, to discuss future prospects for the industry and to seek out opportunities for our candidates and clients.

Despite numbers being slightly down on last year, mainly due to the media hype on swine flu, exhibitors at the show were mostly upbeat about the future, despite some reduced order books. The general consensus was for a solid outlook, though no one's placing bets on how soon. The Offshore Technology Conference showcases advances in production technology, especially in deepwater production, which requires the Oil Producers to invest billions to develop offshore fields. Despite the challenge of lower oil prices for the Oil Producers, they appear to be maintaining their expenditure at high levels. The knock-on effect for jobs has been a sustained demand, especially as the industry continues to be plagued by the challenge of a skills shortage. That is a message I received loudly and clearly from the conference and is echoed in the constant workload we are enjoying in this industry. Several of the exhibitors talked of the difficulties faced in sourcing key personnel for global projects. Plus there are concerns for the future, especially as the majority of personnel are over 50, with a big gap in skills in the 30 – 40+ age group due to the downturn in tertiary admissions at that time. Even those companies who had been negatively affected by the downturn seemed to be committed to retaining staff, recognising the folly of losing good people in whom they had invested heavily.

At the show, EPC companies like Technip and Clough talked of sustaining operational levels and increasing engineering personnel. Operators like Shell and ConocoPhillips talked of trimming of projects but not of reductions in total capital spending. They are still investing in technology and therefore also the engineers to research, develop and operate that technology. So despite reduced revenues, the demand for oil and gas skills remains strong. Nor did the oil price seem to dent the budgets for the traditional evening cocktail parties in Houston. The CEO of pipe manufacturer Tenaris, Paolo Rocca, was as generous as ever. With free flowing champagne, chocolate fountains, and a talented string quartet as his backdrop, he addressed his guests with a particularly optimistic message for the future with a strong focus on the fact that it's the people that make the company.

My return trip took in London and Abu Dhabi and meetings in both cities reinforced the optimism of Houston. Whilst other areas of recruitment have suffered badly in the last year, demand for oil and gas industry personnel, both upstream and downstream, remains strong. In the last few weeks since my return, AAAI has been handling a number of requirements for offshore locations, especially the United Arab Emirates, as well as requirements for Western Australia, Northern Territory and the Coal Seam Methane market in Queensland.

If you would like to know more about our services and capabilities in the Oil and Gas sector, please do not hesitate to contact me on 07 3831 8500 or by email, peter.reynolds@aaai.com.au