

Each euro invested in oil and gas industry generates a contribution of 3.2 euro in the overall Romanian company

The Romanian Petroleum Exploration and Production Companies Association (ROPEPCA) brings to media and public opinion's attention the results of the study that analysis the multiplying impact of the investments in upstream onshore sector (oil and gas onshore exploration and production) in Romania. The study conducted by a team of experts from KPMG under the coordination of Mr. Bogdan Vaduva, KPMG Partner.

The study reveals that an investment of about 1 billion euro in the onshore upstream sector generates a significant direct and indirect impact on GDP, on the number of jobs and the tax contributions to the state budget. In addition, through the chain of interdependence, these effects are propagated in other economic sectors, generating also a considerable induced impact. Specifically, an investment of 1 billion euros translates into a contribution of 3.2 billion in GDP and approximately 45,900 new jobs created or maintained in the economy, representing approximately 15.000 jobs during the year of the investment and an average of 3000 new jobs yearly during the next 10 years.

"We proposed conducting this study to quantify the impact that the investments in the upstream onshore sector have over the national economy. The sector contributes substantially to the economic growth of the country but, cannot exist without intensive, long term consistent investments. We believe that is the state's duty towards the citizens of the state to more carefully consider the way in which this sector can be influenced by public policies. And this influence must lead to the sector development for the common interest of both the citizens and those who conduct investments of such a major impact "states Artur Stratan, President of the ROPEPCA.

The KPMG analysis, based on Eurostat and the National Institute of Statistic data, shows the growing contribution to GDP of oil and natural gas exploration and production (including related services) from 2010 to 2014, when, the industry directly employed approximately 25,000 people - the largest number of people employed directly in oil and natural gas exploration and production industry among countries in the European Union, according to the European Commission Reports.

Another conclusion of the study is that investments in the sector are transferred approximately 1 for 1 in the fiscal revenues of Romania, generated during the investment and production period. "An investment of 1 billion euros generates a contribution of 1 billion euros for fiscal revenue, during a period of 11 years" according to KPMG report, conducted at the request of the Association.

Presently, in Romania there are over 400 petroleum fields and more than 13,000 producing wells. To maintain a constant level of oil and gas production significant investment are required.



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ROPEPCA: Ever since its incorporation in 2012, the Romanian Petroleum Exploration and Production Companies Association (ROPEPCA) aims to promote the onshore O&G industry, supporting the development, the diversifying and the competitiveness in the industry.

ROPEPCA gathers 19 of the most active companies in the onshore industry: ADX Energy, Amromco, Aurelian Petroleum, Bankers Petroleum, East West Petroleum, Expert Petroleum, Fora Oil & Gas, Hunt Oil, Moesia Oil & Gas, NIS Petrol, Oilfield Exploration Business Solutions, OMV Petrom, Panfora Oil and Gas (MOL Group), Raffles Energy, Repsol, Sand Hill, Stratum Energy, Winstar Satu Mare/Serinius Energy, Zeta Petroleum.

ROPEPCA's members in 2014 had conducted cumulative investment of 1.5 billion Euro, 2.5 billion euro cumulative contribution to the state budget. This economic impact had been generated by the oil and natural gas exploration and production sector as well as by the refining activities, conducted by ROPEPCA's member with integrated activities.

source: ropepca.com