

## Oil & Gas Trends in today's economic climate

Joanne Macris – Managing Partner Alexander Hughes UK & Ireland

October 2020

As the world's economies are steadily resembling some form of normality and opening to trade. There are several trends within the Oil and Gas sectors which are undergoing changes and forging a new path.

The advancements in technology being one of the major contributing factors here, however, there have been other significant components at play. Companies operating within the Oil and Gas industry will need to adapt and position themselves accordingly to ensure their ongoing success in the near future.

Below are some of the areas in which these companies should take notice of:

- **Automation.**

The adoption of automation and robotics has risen greatly among various industries, whereby repetitive and laborious tasks are being streamlined through the implementation of technology. Within the Oil & Gas industry, this can primarily be seen in drill pipes, repairing machinery and wastewater disposal.

Even though many large corporate companies have been the first to introduce autonomous technology into their environments, the increase in affordability of such technology has led smaller companies in taking advantage thus allowing them to reap the benefits of automation as well.

The main benefit being seen by the introduction of automation technology is the fact that it can reduce labor costs and also reduces the time it takes to complete the specific task as compared to that of a typical worker. Based on these two outcomes alone, the implementation of this technology already outweighs the initial upfront cost of its purchase and inception.

- **Improved Sustainability.**


Sustainability has now started to become a key focus for many sectors over the past few years, with the Oil & Gas industry being no exception. The reduction in the environmental impact is now a major selling point in accordance with consumer expectations

Environmental management is now becoming more common across the industry as many practices now require extensive research into the affects on the environment and the surrounding communities.

Through the use of technology, methane leaks are now able to be located much quicker than before. This is being done through the development of specialized satellites designed to pinpoint methane emissions along supply chains.

- **Increased Systems Synergy.**

With the increase in the adoption rate of new hardware within the Oil and Gas



sector, so has there been an increase in the use of specialized software. Communication between these two aspects being Hardware and Software, has allowed for intricate data collection to form. With these new forms of data, it allows companies to track and monitor these systems performance. Thus, allowing a quicker turn around time when it comes to the repairing of machinery to ensure that the performance remains optimal at all times. Another benefit to this, is that it allows for scheduled maintenance procedures to be set in place to ensure that less breakage occurs on machinery and therefore reduces downtime as these problems are fixed before they even occur.

- **Protective Gear.**

Within the Oil and Gas industry, the safety of employees is of paramount concern. With the further advancement of technology, this has allowed these high standards to be maintained. The use of robotics has allowed workers to inspect unsafe environments without the need to be physically present. Wearable devices also allow the monitoring of worker's vitals to ensure that they are not in danger without realizing it themselves. All of these advancements have allowed for the development of much safer working environments.

- **Skills Shortages.**

With the introduction of the new technology within the Oil and Gas industry, this has left a gap filled with unskilled labour. Many companies have

began upskilling their current workforce in comparison to hiring new skilled labor

as this mitigates the costs of hiring new staff based on the fact that the labour costs of the Oil and Gas industry are relatively high.

This problem needs to be addressed in the shortest time frame possible to gain the competitive advantage of utilizing the new technology.

- **Infrastructure.**

Improvements in supply and logistics are becoming more and more evident these past few years as many companies are now focusing on improving and repairing their current existing networks so that they are better able to meet the growing needs of their clientele. This allows the companies to both increase their capacity as well as product delivery at a much faster rate. The investment in infrastructure may be seen as quite large, however it forms a vital part for a number of processes outside of the extraction processes.

- **Increased Labor Costs.**

The number of employment positions available within the Oil and Gas industry has been growing rapidly. This has mainly been contributed to the aging workforce, which provides a number of additional challenges to be met. These challenges include both training of new staff and retention of currently employees. Many companies have resorted to offering high salaries with bonus benefits in order to attract younger employees.

Based on the first point whereby new technology is being introduced rapidly

to the oil and Gas sector, this too requires more skilled labour to be hired in order to fully utilize the new technology to its maximum potential.

Therefore, even with the introduction of new technology reducing the number of

required employees, this has still left labour costs at a high level as there is now a demand for skilled workers to operate this technology.

At Alexander Hughes UK we have the skills and knowledge to recruit your next C Level Executive the sustainable way into the Oil and Gas sector.

Follow the link below to setup a virtual meeting with **Joanne Macris**, Managing Partner at Alexander Hughes UK & Ireland.

<https://bit.ly/3afaoOe>

**j.macris@alexanderhughes.com**  
or +447493615683  
**www.alexanderhughes.com**

