

U.K. North Sea Loses 5,500 Jobs

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Britain's North Sea oil and gas sector has shed more than 5,000 salaried jobs since late last year, the country's new Oil and Gas Authority said on Monday, putting an official figure on job losses resulting from a year-long decline in oil prices.

North Sea oil companies have been particularly hard hit by the near 55 percent decline in Brent crude prices since June 2014, as they were already facing some of the industry's highest operating costs in one of the world's most mature basins.

Regrettably, this has led to the loss of around 5,500 jobs since late 2014," Andy Samuel, chief executive of the OGA, said in a report summarizing the newly-created body's first months.

North Sea operators, including Shell, BP, Chevron and ConocoPhillips, have all announced staff cuts, a trend that has raised concerns about an emerging skills gap.

The OGA, established as an executive body five months ago, is tasked with helping North Sea operators squeeze as much oil and gas out of the basin as possible.

The oil and gas sector employs around 375,000 people and remains an important source of tax revenue, despite those receipts dropping.

U.K. oil production has fallen to the lowest since output started in the mid-1970s as old fields run out of resources.

Two operators recently announced their intention to shut fields early, making the OGA's mission more pressing than ever.

The body said it had helped mediate commercial discussions between companies involved in the running of Theddlethorpe gas terminal, and the Sullom Voe terminal on the Shetland Islands, key facilities in the North Sea but which are expensive to operate.

"We should be in no doubt about the scale of the challenge ahead," Samuel said.

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