

Assessment on the implementation of local content policy in oil and gas: the case of Songosongo and Mnazibay in Tanzania

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Oil and gas industry has recently become an important drive of the economy of many countries of the world. There have been large discoveries of oil and gas in various countries in both developed and developing countries. These discoveries have brought blessings to some of the countries, while same discoveries have brought havoc in other countries. The objective of this study, Assessment of local content policy in oil and gas: the case of Songosongo and Mnazibay in Tanzania, was to determine the effectiveness of the implementation of this policy from its start 2014 in building capacity through training, employment of the local people and procuring goods and services from the local market. The researcher used Songosongo and Mnazibay as areas of case study. The population of the study was the people around Songosongo and Mnazibay, from it 51 samples was selected by using simple random sampling and purposive sampling. The sample included 8 senior officials from the gas industry, 38 local people and 5 officials from District Executive Director (DED). Descriptive statistics was used to analyze the data; where tables, figures and percentages were used to show the findings. The study shown that, the government and International Oil Companies (IOCs), have tried to implement the policy, but there many challenges which have made the implementation not effective. Among major failures include; the government and the IOCs inability to make capacity needs assessment required in the industry, also the government has not used the fund from the IOCs to create other employment sectors where most of the Tanzanians will be employed rather than depending on gas industry. The government has failed to create metal, fabrications, welding and assembling industries to increase the procurement of goods and services domestically. The government has not used the fund obtained from the IOCs to support financial institutions and insurances companies to finance and insure the industry.

The study is thus recommending the following to both the government and IOCs to make the policy effectively implemented. The government should cooperate with the IOCs to make capacity needs assessment, to determine which skills to be provided to the local people, to revise the curriculum for the purpose of meeting the requirement of oil and gas industry. The government should use the

revenue from the industry to create more employment sectors, should also start the metal works, fabrications, welding and assembling industries to increase the supply of the goods from the domestic market. Should lastly, take deliberate actions to support the financial and insurance companies.

Therefore the study provides room for further researches in determining the best ways in which the set policies can be effectively implemented by the governments and IOCs to reach the desired goals