IS IT THE TIME NOW TO UTILIZE NATIONAL PRODUCTS FOR OPTIMIZING OIL AND GAS PRODUCTION AND COMMERCIALIZATION

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ABSTRACT

The challenges of the Indonesian oil and gas industry are to develop national capabilities and to maintain the production rate by exploration, production enhancement, and new field development and commercialization. This paper describes how national manufacturing companies could support oil and gas field production optimization and commercialization by supplying technology, products, equipment, and services, and building long-life partnership for suitable technical solutions.

In line with government policy in developing national capability in the oil and gas industry, national manufacturing companies should take active roles by developing its own technology, manufacturing products and equipment, using local competitive advantages and experiences. The selection of technology, products, and equipment that can be built and developed is essential. Strategic cooperation with established local and global partners should be maintained for the continuous improvement of the products which could be beneficial for the stake holders. National manufacturing companies should keep updating the technology by co-operation with global industry as a continuous improvement program in serving the best products and services to oil companies. Manufacturing should be the pillar for the oil and gas industry that essentially could provide significant contribution to government fiscal reserves.

Government should support and acknowledge with pride for national manufacturing companies as national assets that should be maintained by providing opportunity to grow in the industry.

Government policy is the key for creating positive environments for the oil and gas industry in utilizing the national services, products, and equipments at an acceptable standard quality.

Quality control and quality assurance programs should be developed and maintained to produce reliable products and services.

Several national oil and gas manufacturing companies have successfully developed and produced reliable technology, products, and equipment with international standard that have been used in the industry and are ready to replace the existing importing products. The government should recognize the readiness of its own national capabilities and provide full supports, which eventually could optimize field commercialization.

To achieve government objectives in increasing national capabilities for a sustainable oil and gas production, is it the time now to start utilizing national products and services with pride, or should we wait for another 30 years again?

INTRODUCTION

Oil and gas as limited non renewable natural resources has been playing an important role to enhance the economic development of Indonesia. The challenges are to develop national capabilities and to maintain the production rate by exploration, production enhancement, and new field development and commercialization. The annual targeted production level is required to minimize the shortage in fulfilling the domestic consumption, and also maximizing government revenue.

All stake holders which include oil companies, service companies, and product manufacturing companies should have commitments to the industry to overcome these challenges. Oil companies would take efforts and resources to maintain production level and adding reserves for sustainable life of production. Service companies

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