



ESAL AFRICA

Energy Solutions Africa Limited (ESAL) is an Africa focused advisory business that offers solutions to key players in the oil, gas and power sectors, focusing on government stakeholders and entities in the public and private sector.

ESAL provides these entities with information and strategies of high and timely value in guiding policy, legal, regulatory, technical and investment decisions. ESAL brings together specialists who have an in-depth knowledge, expertise and broad experience in the energy arena in Kenya, other East Africa and across the wider sub-Saharan Africa region.

Our specialists have broad experience gathered from working on the African continent and internationally. This experience enables ESAL to select and readily draw upon global benchmarks and contextualize them for country- specific needs given the uniqueness of the different operational environments in Africa. Our solutions offered are practical, realistic, well accepted and readily implementable.

ESAL further supports clients in the identification of opportunities in Africa's emerging energy markets to assist in the entry and gradual growth of the number of private sector participants. ESAL is a premier advisory business firmly rooted in Africa and understands the challenges faced by companies and governments across the continent.

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The Role of Local Content in Creating Linkages with other Sectors of the Economy.

Developing local content in the oil and gas sector can create linkages with other sectors of the economy. Effective linkages between sectors is essential for a balanced growth of the economy and avoidance of the “Dutch disease” in order to stimulate an all-round growth of the economy. There are various ways in which developing local content in the oil and gas sector can create linkages. One way is through forward linkages which relates to the processing, beneficiation and value addition of the extracted commodities in the country.





Another way is through backward linkages which relates to the procurement of goods and services that the oil and gas sector requires to operate from the country and lateral linkages which relate to the

development of new industries and or the enhancement of existing ones, using the goods, services and capacity developed in the oil and gas related supply chain within the country.

Lateral linkages facilitate and enable the emergence of new economic sectors therefore playing an important role in the diversification of the economy. This lowers the dependence on the oil and gas sector. While enhancing local content in the country, the skills and knowledge used to address specific needs of the domestic oil and gas industry can be leveraged and adapted to serve other markets in the economy of the country. The oil and gas industry demands high standards and is able to invest in capacity development for its supply chain. The lateral linkages created through increased local content encourages the enhancement and productivity of other economic sectors. This improves national competitiveness, reduces the reliance on imports and enables increased exports. However broad government support is needed through such initiatives like formation of clusters with industries that have synergies with the oil and gas sector. Other ways can be the creation of technical skills training institutes, centers of excellence and infrastructure, which can benefit from the demand and investment capacity of the oil and gas sector. It is important to improve the capacity of regulators, including standard authorities so as to support the transfer of capabilities from one sector to another.

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