

# Relief for Equatorial Guinea oil & gas services companies

Equatorial Guinea is waiving oil & gas services fees in the wake of the oil price drop caused by the coronavirus pandemic. Oil prices currently remain at around \$20 a barrel, their lowest level since 1991.



Malabo, Equatorial Guinea

"The Ministry of Mines and Hydrocarbons took the unanimous decision to waive its fees for services companies for a duration of three months," said Gabriel Mbaga Obiang Lima, minister of mines and hydrocarbons. "We recognise that the oil sector continues to be the largest private sector employer in the country and want to give our local services companies the means to weather the storm and avoid any jobs being lost. While it is important to let market forces determine the future, the government does have a role to play in stimulating the market and creating an environment for these companies to stay strong, continue investing and create opportunities for our citizens."

Jobs security and the safety of Equatorial Guinea's citizens have been put at the top of priorities for the MMH, which has further pledged to keep engaging with local and international companies to create the right kind of enabling environment for the sector to operate and grow despite current circumstances.

## Local content

International operators will need to keep complying with local content requirements throughout the downturn, and make sure to work with the local services industry to adapt to new market dynamics. This is the first such measure to be taken in the country, which will consider additional action to bring relief to its oil & gas sector.

The ongoing coronavirus pandemic has brought the world economy to a halt and critically affected oil demand. As a result, prices have been brought to their lowest levels since 1991, which brings considerable instability to African oil producers in the Gulf of Guinea.

Yesterday, a team from the Bioko Island Malaria Elimination Project (BIMEP) and the Baney Lab Research Center briefed Minister Obiang Lima on the progress of the malaria vaccine trial and current coronavirus tests being conducted in the facility. The minister advised the team that the lab will be upgraded with new equipment to meet the current needs of 1.2-million residents, and pledged to purchase the same amount of coronavirus lab kits so that the Ministry of Health can deal efficiently with any potential future cases and be ready for any possible scenario.

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