



MER UK Forum Dinner – 18th May 2016

Opening Remarks

- The dinner was opened and everyone was thanked for their attendance, the strong support being shown again by Government with the attendance of three Ministers was highlighted.
- Thoughts were with the victims, families and companies of those lost in the recent Norwegian helicopter tragedy.
- MER UK Forum was timely following the December event and that highly positive progress had been made by the boards. However there was still a great deal of work to be done.
- Government had put a number of welcome and significant packages in place to support the industry and further packages should not be automatically assumed. Government remains active in support.

Industry Perspective

- Current situation improving in 2016, the industry would need to stabilise before confidence returned which would hopefully happen in 2017.
- Important that we didn't forget the human aspect of job losses, industry grateful for the support from government. A report regarding the number of jobs lost in the industry is currently being worked on and this should be published in June.
- More collaboration has been seen across industry, and there has been good progress made with some projects. There are some excellent stories and examples of good practice linked to the behaviours charter, however it is acknowledged there is still work to be done.
- Reinforced that safety was paramount and at the heart of the industry and that high productivity and safety should go hand in hand.
- Workforce engagement should continue through work with the unions and the Offshore Co-ordinating Group (OCG) and Offshore Contractor Association (OCA).
- It is important that we stimulate short term activity otherwise the impact on the supply chain could be irreversible.

Workforce perspective

- The collapse in the oil price has had profound consequences for the workforce.
- Unions want to be active participants and are keen to take a positive approach and work collaboratively.
- The unions have recently established the OCG, by coordinating campaigns and policy development, the OCG will ensure that trade unions make a positive contribution to achieving the objective of maximising economic recovery.
- The OCG will provide a coherent union voice and continue to develop constructive relationships with Oil & Gas UK and the OGA. It was acknowledged that if they want Government to listen then discussions have to be constructive.
- Strategic engagement had been missing and it is very important that this is developed.
- The unions have the future of the industry at their hearts.

OGA Perspective

- It was recognised that progress is being made and that there were a lot of positive actions happening. The MER UK Boards were doing excellent work and there were some excellent examples of collaboration. The boards were definitely pulling together to deliver MER UK.
- However there were still areas for improvement.
- Discussions followed around confidentiality agreements and commercial behaviours.

Discussion

The discussion initially centered around competition law and the role both the OGA and industry can play. The CMA has offered to work with the OGA and the consensus round the table was that this may be the appropriate way forward.

The conversation moved to the supply chain and it was acknowledged that there is now a lot more collaboration happening. The supply chain is very keen to help and there are real examples of where they have helped reduce costs. It was recognised that the supply chain would play an important role in helping the industry to recover.

The role technology can play in helping the industry was also discussed and how this could help stimulate the supply chain. The Oil and Gas Technology Centre (OGTC) will have a key role, however in the short term a higher proportion of the funding may have to come from the public sector.

The dinner was concluded with remarks from the ministers present.