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300 foreign wages taxed in 2012

The oil company Statoil is heading the largest ever investment in the Faroes in 2012. During the first half of 2012, Statoil will be the operating oil company for an eight exploration well drilling in Faroe territory. The whole project is estimated to cost in the region of D.kr 1 billion and this does not include other affiliated costs to this license. This investment will also provide considerable revenues to the Faroe society in the form of services and supplies, which must pass over or through a Faroe quayside or airport, respectively. All the associated foreign workers attached to the project will also pay tax in the Faroes. Work permit for 300 staff Mr Rúni M. Hansen, the Statoil CEO expects they will apply for work permits for app. 300 people. The majority of them will be stationed onboard the drilling platform and they will pay tax in the Faroes, so the Faroes society can expect an additional tax income of several million. Adding to all this comes the statutory demand of all goods and services having first to be transported to the Faroes and then on to the drilling platform. This involves considerable extra activity, which in turn benefits the Faroe society. Large project - also internationally Although the Statoil CEO will not divulge too much about the pending drilling project, he admits this is one of the large-scale drilling projects also in an international context. The area is demanding and Oljan.fo understands that the intention is to drill very deep this time around. This is very expensive in both time and money. It is expected the drilling period will last for approximately 4 to 5 months, but to date no fixed commencement date has been assigned, other than the project will begin during the first half of 2012.