



# Faroes huge opportunity to become a major service provider

Jan Müller

01.10.2013 - 10:28

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-We ought to consider implementing an overriding business-political plan for the oil sector, whereby we can optimise what our business and our society gain by creating a stronger economic leg. This could possibly be entwined with the intention of achieving a growth in our population”, says the CEO at Jarðfeingi, Mr Petur Joensen, who believes the service sector to the oil industry is such a success story, that we in a few years’ time will not just be talking about an income running into the hundreds, but into billions for the Faroe society. Should hydrocarbons be discovered in the Faroes, the demand for services will rise dramatically.

Jarðfeingi

Among the many Faroese attending Offshore Europe in Aberdeen was the CEO for Jarðfeingi, Mr Petur Joensen. At the Faroe stand he did his utmost to inform visitors on the progress made in Faroe oil exploration and the existing opportunities. He also visited a multitude of stands and participated in the interesting talks and lectures regarding what a future oil industry will look like.

Mr Joensen also had the opportunity to form his own thoughts and estimations on which opportunities lie in a Faroe oil industry, in particular within the service sector, which slowly is beginning to gain a foothold. Oljan.fo asked Mr Joensen what was most important for him at the exhibition in Aberdeen: -“I must say Offshore Europe was a very positive experience for me. The exhibition is mainly intended the service sector and subsequently not too many exploration people were present, which for me are the most important at the moment, as we are trying to attract exploration to the Faroes. However, there were some exploration people there who I spoke to. Although they were not directly engaged with the Faroes area, I did meet a geologist who had been to the Faroes and had worked on the Marjun well, when it was drilled in 2001. The most positive aspect was however to experience the Faroe service sector”, said Mr Joensen.

Jarðfeingi has participated at this exhibition every year since the Faroes begun participating at such exhibitions. This is, as already mentioned, not just to create connections with people responsible for exploration, but as a request from Faroe business. Many questions/issues are raised about conditions in the Faroes, which Jarðfeingi is able to explain and answer.

### **Steadfast approach**

Mr Joensen points out that what he noticed in particular was how steadfast Faroe industry was approaching the offshore industry: -“It is quite clear that you get a different feeling now, after several Faroe suppliers have developed connections with foreign buyers and are working hard to develop these and acquire new connections. Several companies have progressed beyond having to prove their worth and capabilities and can show good references for the activities they now are a part of. They have - if one may say so - gained a foothold and are progressing. We have also gained a much better insight into the service sector”.

Mr Joensen adds that it cannot be dismissed that much has changed since the early days, when very much was expected but little tangible results emerged, and up to now as Faroe companies are making hundreds of millions of kroner to the Faroes in income. Many Faroese are also working within the oil industry today, all over the world: -“The high expectations we held and which some said were too high, are now proving to be not all that high after all. The development did not pan out as we expected, but much has been achieved”.

### **Must progress**

-“As we stand where we are at the moment and think ahead, it is easy to reason we must not stop here - and progress we must. The best evidence is just to reflect back ten twelve years or so to see that much has changed for the better. In a few years' time we may not be talking hundreds of millions but billions”.

### **Vast market**

-“The market surrounding us is vast and it seems this will continue for many years to come and ought to be an area we should target. We can also deliver more of the services we deliver at the moment, but we should also be looking at which other services we could deliver. When looking around an exhibition like Offshore Europe and seeing what is of offer, I can only confirm that the Faroes could supply or deliver many of them. If one can learn from the companies which have gained a foothold, it is something about keeping your focus and to keep continuing, even if at times the going may be difficult in the beginning”.

### **Service industry its own sector**

The Faroe service sector to the oil industry is so large today that it can be defined as having its own sector within the Faroe economy, just as the fishing industry. I have previously pointed out that from a political point of view we ought