

## **Logistics, freight forwarders bullish on RP oil, gas prospects**

A group of foreign and local freight forwarders has expressed optimism on the near term growth prospects of the country's oil and gas exploration business. Supply Oilfield Services Inc. (SOS) Executive Vice President Filip Benoit, in a press briefing, said the World Project Group (WPG) of which SOS is a member, plans to intensify its marketing efforts in the Asian market, including the Philippines, to take advantage of the potential growth in the freight forwarding and project logistics businesses particularly in oil and gas exploration, and power generation sector.

"We are definitely looking forward to a better business prospect in the Philippines in the coming years. There are a lot of opportunities here in the Philippines particularly in the oil and gas sector and power generation such as in the development of wind power," he said.

Some 30 member-companies of WPG are in Manila for a three-day bi-annual conference. Part of the WPG conference's agenda this year is to make known of its prospective clients all over the world that it has created a synergy for business through the expertise of each member company considered the "best in class" in their respective fields.

WPG is a newly-formed organization of small and medium-sized cargo handling firms. Aside from oil, gas, mining, power generation and electricity, the group also has special interest on projects for a wide range of industries such as construction, water treatment and environmental projects.

Though Benoit recognized that the freight business in the Philippines is quite "volatile", he said "things will start to pick up in the near future".

Benoit took note of the pending activities in the oil and gas exploration sector that the Department of Energy (DOE) has lined up in the near term.

"In the Philippines, it seems that the stagnant situation in the oil patch is coming to a turning point. 2005 has known a lot of seismic activities. Various drilling and development prospects are in the planning this year. The DOE through the second public contracting round followed by an intensive road show to Europe, Australia and North America, was able to attract new investors and operators to sign up for new concessions all over the country," Benoit said.

Altus Oil and Gas Services managing director Michael Ellsworth, for his part, said Asia, in general, is seen to be a rapidly growing market for freight business.

"There are a lot of large exploration and seismic development activities that are lined up for the next three to five years. In Indonesia, Thailand, Myanmar and China, there are a lot of drilling activities going on," Ellsworth said.

Benoit said with these impending growth prospects in these industries, it is an opportune time to inform the Filipino businessmen of WPG's expertise.

Established in 2005, WPG is seen to become the first network of its kind to provide project shippers an answer to their global procurement needs.

In the recent past, some 85 percent of break-bulk or turnkey projects were originating from Western Europe and the United States of America. Today, this level dropped to 54 percent with the rest being distributed primarily to Asia, Central Europe and Middle East.

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