

OIL AND NATURAL GAS DRILLING TO CREATE HIGH-PAYING, HIGH-QUALITY JOBS



A new report by consultant IHS is a bearer of heartening tidings that the jobless are desperate to hear but don't get to hear too often. It says that the surge of the US oil and natural-gas industry will add up to 1.7 million jobs this year. As if this was not enough good news, the news that these jobs will draw an average salary of \$35 an hour, compared to the \$23 that other jobs draw, heralds an early Christmas for workers destined for these jobs. Considering the fact that there are more than 12 million people out of work and 21 million Americans remain out of work or are partially employed, add to that the snail-paced economy, growing at 1.3 percent at a speed less than half of what it was a couple years ago, the news is nothing short of miraculous. IHS says that the job growth is not limited to this year alone but will continue to grow and will increase to 2.5 million over the next two to three years. In the next two decades the jobs could increase to 3.5 million. The report says that these jobs will pay much more and be of a better quality than those generated by the manufacturing industry. The jobs will not be limited to working on oil rigs or wherever the drilling is being done, but it will also spawn many jobs in its wake for makers of drilling equipment, workers uniforms, computer-technology services and legal and consulting jobs. The burgeoning oil and gas rush is expected to add \$237 billion to the US GDP this year and by 2035 the GDP will grow by an additional \$475 billion. FOX Business senior editor Charles Brady says that drilled has spawned many new jobs in its wake, "In addition to the jobs directly created by an increase in drilling, there will also be a need for thousands of people to feed all these workers and to provide housing. As all of these newly employed folks start spending and consuming, the multiplier effect on economic growth will be significant." The IHS independently conducted the report which was funded by the Natural Gas Supply Association, the American Petroleum Institute and the American Chemistry Council. Even though environmental concerns and resistance by environmentalists makes the government very wary of issuing fresh licenses for drilling, yet according to the Bureau of Land Management last year 2,188 leases were given for energy development on government land. Many local US communities had expressed concern that the drilling was polluting their water supplies. Daniel Yergin, IHS vice chairman says that the growth in unconventional oil and gas production has made the US self-sufficient in natural gas and made the country amongst the largest producers of crude oil in the world. Moreover, he says, that when economic growth is a top priority, the industry helps generate new jobs. Currently the country pumps around two million barrels per day and by 2015, it will nearly double its production and is expected to reach 3.5 million barrels of oil per day. By the end of this decade it will reach a whopping 4.4 million barrels per day. John Larson, IHS vice president, public sector consulting, said that the cash-rich oil and gas industry was dependant on suppliers in construction, fabricated materials and so many other businesses that it has brought in its wake. The best part of it is, he says is that the "United States is a world leader in all parts of unconventional oil and gas activity which means that most of the dollars spent here stay and support American jobs."