

## **Oil & Gas Engineering Services - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029**

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### **Report description:**

The Oil & Gas Engineering Services Market size is estimated at USD 54.70 billion in 2024, and is expected to reach USD 78.5 billion by 2029, growing at a CAGR of 7.49% during the forecast period (2024-2029).

The rise in the adoption of various automation technologies in the Oil and Gas sector is the prime factor enhancing the engineering services market exponentially.

#### Key Highlights

-Due to the industry's dynamic nature, the need to increase productivity and efficiency, uptime, and return on assets is rising. At the same time, minimizing costs is estimated to drive the adoption of engineering services in the industry. Moreover, the oil and gas industry faces challenges like rising penetration of renewable energy, strict carbon footprint regulations, electric vehicles, and various new hydrocarbon sources. Hence, the companies are adopting various strategic Industry 4.0 strategies to overcome these challenges.

-Advanced application of technologies, such as machine learning, analytics, and many others, is expected to help and assist oil and gas companies in analyzing big data sets and provide meaningful insights. Hence, the engineering services adoption within the industry is anticipated to rise during the forecast period.

-Also, the market is witnessing various strategic collaborations amongst the players, acting as a lucrative path toward expansion. For instance, in April 2023, Energy company BlueNord, also known as Noreco Oil Denmark AS or Noreco, and engineering and contracting company Semco Maritime AS entered into a strategic partnership agreement to jointly identify, explore, and investigate opportunities in the oil and gas space.

-However, the growing operational and compliance-related challenges and the fluctuations in the oil and gas prices, as well as other macroeconomic changes within the industry, could be a significant concern limiting the overall market's growth throughout

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the forecast period.

-The COVID-19 pandemic and its economic implications have received intense government attention, which diverted attention from the energy transition. The crisis's short and long-term effects significantly impacted the sector. However, during the post-COVID-19 period, the market is expected to witness significant growth opportunities, especially due to the surge in the adoption of automation in the oil and gas industry to aid the overall growth of design and engineering services as well as the rise in the Industry 4.0 Practices Such as Extended Reality & BIM 4D.

## Oil & Gas Engineering Services Market Trends

### Downstream Segment to Exhibit Significant Growth

- The Downstream section of the Oil and Gas Industry involves the operations that primarily occur after the construction phase until the point of sale. Certain downstream operations comprise processing, refining, transportation, and selling petroleum products. The rising demand for safe and reliable operations while reducing the total cost of operations is anticipated to drive the industry's overall adoption of downstream oil and gas services.

- Downstream oil and gas services play a very significant role in enhancing the total refining process while impacting the marketability and desirability of the finished product. The downstream supply chain includes noteworthy operations such as marketing by-products, effective database management, and effective management of distribution.

- Moreover, key downstream oil and gas services comprise asset integrity management, petroleum testing, industrial technical inspection, refining and distribution, hazardous location equipment testing, and database software solutions. It also includes Enterprise Asset Management (EAM) solutions that address core Asset Information Management as well as applications involving Plant Asset Maintenance Management.

- According to BP International Limited, BP's downstream business segment has generated a total revenue of around USD 188.6 billion in 2022. The previous year recorded the lowest revenue in the period in consideration. In 2020, BP's downstream revenue was reduced by around 35% from the previous year, as the COVID-19 pandemic severely minimized the transportation fuel demand, especially within the aviation industry.

### North America Expected to Dominate the Market

- North America is anticipated to dominate the Oil and Gas Engineering Services Market, especially due to the rising number of oil and gas projects in countries such as Canada and the United States. According to the January 2023 Short-Term Energy Outlook by the US Energy Information Administration, it is forecasted that the overall crude oil creation in the United States would average 12.4 million barrels per day (b/d) in 2023 and 12.8 million b/d in 2024, thereby surpassing the earlier record of 12.3 million b/d set in 2019.

- The region is also seeing a large number of strategic collaborations as a lucrative way to grab the opportunities offered by the oil and gas industry within the region. For instance, in March 2023, the US Department of Energy (DOE) awarded a sum of around USD 165 million "Geothermal Energy from Oil and Gas Demonstrated Engineering" grant to a consortium formed by Project Innerspace, Society of Petroleum Engineers International, and Geothermal Rising. The cross-industry collaboration that is formed by the consortium would engage with oil and gas professionals, geothermal startups, and other stakeholders to create consensus around strategies and opportunities for geothermal innovation.

- In October last year, India and the US declared the creation of a new energy task force, especially to facilitate the extensive integration of renewable energy, which is mainly required to support the transition to clean energy. The declaration would elevate the India-US partnership's strength in the vital energy sector to a whole new level, which came following a bilateral meeting

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between the Union Minister of Petroleum and Natural Gas Hardeep Singh Puri and US Energy Secretary Jennifer Granholm.

- Also, Canada is one of the significant oil and gas producers worldwide, as the industry plays a crucial role in the country's overall economy. According to the Canadian Association of Petroleum Producers, it is forecasted that the oil and natural gas investment in upstream production will hit a sum of around CAD 40.0 billion (USD 29.73 billion) in 2023, surpassing the pre-COVID investment levels. That represents around CAD 4.0 billion (USD 2.97 Billion), or 11%, more in the additional spending across Canada's economy than the prior year.
- In October 2022, Fluor Corporation was given a reimbursable front-end engineering and detailed engineering, design, and procurement services contract for Imperial as the company progresses and intends to build a world-class renewable diesel complex at its Strathcona refinery near Edmonton, Alberta, Canada. The new complex is anticipated to be the most significant renewable diesel production facility in Canada and would produce around 20,000 barrels of renewable diesel per day, especially from locally sourced feedstocks.

## Oil & Gas Engineering Services Industry Overview

The Oil and Gas Engineering Services Market is anticipated to be semi-consolidated, primarily due to the presence of several worldwide players, along with the emergence of new market participants. The market players, such as Toyo Engineering Corporation, Stress Engineering Services Inc., and Element Materials Technology, are targeting to form various strategic collaborations and partnerships with various oil and gas companies globally to enhance the overall adoption of engineering services within the industry.

In June 2023, Clariant Oil Services introduced PHASETREAT WET to provide more efficient and sustainable solutions for the oil and gas industry's demulsification needs. Designed to overcome challenges inherent in traditional oil production processes - most notably, meeting stricter environmental requirements for oil and water separation - the novel solution would help and assist operators in simplifying logistics, minimizing operational costs, and mitigating safety risks.

In January 2023, the CEO of the National Oil Corporation of Libya (NOC), Farhat Bengdara, and Eni CEO Claudio Descalzi agreed on the development of 'Structures A&E,' a strategic project. It is mainly aimed at maximizing gas production, especially to supply the Libyan domestic market and to ensure export to Europe. 'Structures A&E' is primarily the first major project in the country since early 2000. It comprises the development of two gas fields, namely Structures 'E' and 'A,' located in the contractual area D, offshore Libya.

### Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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