

Moritz Breul spent three months in Indonesia and Vietnam, from March until June 2017, within the context of the research project „Gateway Cities and their Hinterland: Global Cities from the Global South as Nodes in Global Commodity Chains“, funded by the DfG (German Research Foundation). He interviewed various managers of the oil and gas industry in these two countries.

This project aims to broaden the understanding about the spatial hinge function of certain cities. In those so-called “Gateway Cities” there are economic activities located that integrate their region into global commodity chains (see: <http://www.geographie.uni-koeln.de/14506.html>). The oil and gas commodity chain serves as a case study for this project.

After a first research phase in Singapore in 2016, this year Moritz Breul assessed the research topic from the perspective of resource-holding countries in Southeast Asia. The main aim of the research phase was to gain an understanding about the position of Vietnam and Indonesia in the oil and gas commodity chain. He revealed material (purchase of equipment, services, refined products) and immaterial (ownership structure, controlling function) linkages with other countries. Moreover, the interviews enabled us to reveal local capabilities as well as crucial mechanisms that have led to the development of these local capabilities. With those additional findings from Indonesia and Vietnam we are able to specify the empirical insights that were gained last year in Singapore.

Moritz Breul spent 6 weeks in Indonesia and Vietnam respectively. In Indonesia, the Economic Research Centre of the Indonesian Institute of Sciences (LIPI) supported his research project. At the end of his stay in Indonesia Moritz Breul presented preliminary results of his interviews with firms in Jakarta and Balikpapan (East Kalimantan) to his colleagues from the LIPI. Multinational oil companies establish their country offices in Jakarta from where they manage the operational business. Balikpapan in contrast is a city at the “resource frontier”: As it is located close to many oil and gas fields, oil companies and their technical service companies are using it as a supply base. The risk of such a one-sided industrial orientation can be clearly seen today: Due to the drop of the oil price within the last two to three years, there are many unfinished and now decaying buildings, newly opened, but deserted shopping malls and other signs of downfall.

In contrast to Indonesia where management functions of multinational oil companies concentrate in Jakarta, Vietnam has a bipolar spatial structure with two relevant cities: Hanoi and Ho-Chi-Minh-City. Hanoi is the headquarter location of the state-owned oil company Petrovietnam and the place where all the political decisions are taken, whereas in Ho-Chi-Minh-City nearly all the headquarters of multinational enterprises are located. Similar to Balikpapan, Vung Tau serves as a supply base: Workshops and equipment are located here, and it is the starting point for the offshore-crews to leave for the oil and gas fields.

The interviews were conducted in a wide range of different settings, from a warehouse for drill heads to a fancy office in the 34th floor of the Central Business District in Jakarta.

If you have further questions, please do not hesitate to contact Moritz Breul (moritz.breul@uni-koeln.de).



Pipeline-Netz zur Verbindung der Terminals mit einer Raffinerie, Balikpapan, Indonesien (Quelle: Breul 2017)



Offshore-Plattformen in Wartung, Vung Tau, Vietnam (Quelle: Breul 2017)



Tanks für Erdölprodukte in der Nähe von Ho-Chi-Minh-Stadt, Vietnam (Quelle: Breul 2017)



Offshore-Plattformen bei Pulau Bintan, Indonesien (Quelle: Breul 2016)