

Exploring Local Content Participation among Domestic Firms in Uganda's Oil and Gas Sector: A Qualitative Study of CEO Perspectives

Samuel Mugisa¹

Mbarara University of Science and Technology, Mbarara, Uganda

Abstract: Abstract Purpose: Local content policies have become an important mechanism for promoting domestic participation in the oil and gas sector. Despite the introduction of local content regulations in Uganda, participation of domestic firms in the petroleum value chain remains relatively limited. This study explored Chief Executive Officers' (CEOs) experiences and perspectives regarding local content participation among domestic firms operating in Uganda's oil and gas sector. Methodology: The study adopted a qualitative research approach grounded in an interpretivist paradigm. Data were collected through in-depth interviews with 18 Chief Executive Officers from domestic firms registered on the National Supplier Database of the Petroleum Authority of Uganda. Participants were purposively selected based on their involvement in oil and gas-related business activities. Interview data were analysed using thematic analysis, where emerging themes were identified, coded, and interpreted to understand CEO experiences and perspectives regarding local content participation. Findings: The findings revealed that local content participation is influenced by three major themes: capacity building, firm capabilities, and regulatory support. CEOs reported that training programmes, knowledge transfer initiatives, and access to finance enhance the ability of domestic firms to compete for opportunities within the oil and gas sector. The findings further revealed that production capacity, infrastructure, skilled human resources, and financial resources determine the extent to which firms are able to meet industry requirements and participate effectively in petroleum supply chains. Participants also highlighted the important role of local content regulations in creating opportunities for domestic firms through procurement requirements and compliance mechanisms. However, challenges relating to limited financial resources, inadequate technical capacity, and competition from established international firms continue to constrain participation. Practical Implications: The findings suggest that strengthening capacity-building initiatives, improving access to finance, and supporting capability development among domestic firms are critical for increasing local participation in Uganda's oil and gas sector. Policymakers and industry stakeholders should strengthen supplier development programmes aimed at enhancing the competitiveness of local firms. Originality/Value: This study contributes qualitative evidence on local content participation from the perspectives of Chief Executive Officers directly involved in Uganda's emerging petroleum sector. The findings provide insights into the opportunities and challenges experienced by domestic firms and contribute to the growing literature on local content development in resource-rich economies.

Keywords: Local Content Participation, Domestic Firms, Chief Executive Officers, Oil and Gas Sector, Uganda

1. Introduction

Local content participation has emerged as an important policy objective in petroleum-producing countries seeking to increase domestic economic benefits from extractive industries (Nwapi, 2016). Governments increasingly use local content policies to promote domestic enterprise development, employment creation, technology transfer, and industrial growth through greater involvement of local firms in oil and gas value chains (Tordo et al., 2021). The underlying rationale is that petroleum resources should generate broader developmental outcomes beyond government revenues and foreign investment inflows

(Hilson & Ovadia, 2020). Consequently, many countries have introduced regulatory frameworks that require petroleum operators to prioritize local suppliers, employees, and services where capacity exists (Ovadia, 2022).

Across Africa, local content policies have become central to strategies aimed at reducing the limited domestic linkages traditionally associated with extractive industries (Ackah & Mohammed, 2020). Evidence from countries such as Nigeria, Ghana, Angola, and Tanzania indicates that local content initiatives can stimulate domestic enterprise growth

when accompanied by deliberate efforts to strengthen supplier capabilities and facilitate market access (Acheampong et al., 2019). At the same time, studies have shown that local firms often face significant barriers related to finance, technology, managerial expertise, and compliance with industry standards required by multinational oil companies (Aigbodua & Oisamoje, 2023). These constraints frequently limit the ability of domestic enterprises to compete effectively for procurement opportunities within petroleum supply chains (Adalety, 2022).

Uganda has adopted local content policies as a key mechanism for ensuring that petroleum sector development contributes to national economic transformation (Republic of Uganda, 2008). Through the Petroleum Authority of Uganda, government has established regulatory frameworks intended to increase the participation of Ugandan firms in petroleum-related activities (Petroleum Authority of Uganda, 2025). These frameworks emphasize the utilization of local suppliers, development of domestic capabilities, promotion of technology transfer, and enhancement of employment opportunities for Ugandans (Roberts & Amana, 2022). As a result, increasing numbers of domestic firms have registered on the National Supplier Database in anticipation of participating in petroleum sector opportunities (Mukiibi, 2024).

Despite these efforts, evidence suggests that actual participation of domestic firms remains below policy expectations (Nakayiwa & Isabirye, 2021). Although many firms have expressed interest in participating in the oil and gas sector, relatively few have secured substantial contracts within the industry (Neuman et al., 2019). Previous studies attribute this situation to limited access to finance, inadequate infrastructure, insufficient technical expertise, and weak organizational capabilities among domestic firms (Nduhura, 2018). Similar observations have been reported in other emerging petroleum economies where local suppliers continue to face challenges in meeting the operational and quality standards required by international oil companies (Hausmann & Rodrik, 2022). Consequently, understanding the experiences of domestic firms remains critical for informing effective local content policy implementation.

Existing research on local content participation has predominantly employed quantitative approaches that focus on measuring relationships between organizational factors and participation outcomes (Alinda et al., 2022). While such studies provide valuable statistical evidence, they often provide limited insight into how business leaders interpret and experience local content initiatives in practice (Chuwa, 2023). Qualitative perspectives remain particularly scarce within Uganda's petroleum sector despite the growing importance of local content as a policy objective (Akankwasa, 2022). As a result,

the voices of firm leaders who directly engage with procurement processes, regulatory requirements, and supplier development initiatives remain insufficiently documented within the literature.

Chief Executive Officers occupy strategic positions within firms and play a central role in decisions relating to investment, capability development, strategic partnerships, and market participation (Cusumano & Elenkov, 2020). Their experiences provide important insights into the opportunities and challenges associated with local content participation because they are directly responsible for navigating the business environment within which petroleum sector opportunities emerge (Tho, 2020). Understanding CEO perspectives therefore offers an opportunity to move beyond statistical relationships and develop a deeper understanding of the realities shaping domestic firm participation in Uganda's oil and gas sector.

This study is anchored in the Resource-Based Theory, which argues that organizational success is largely determined by the possession and effective deployment of valuable resources and capabilities (Barney, 1991). The theory suggests that firms possessing superior knowledge, financial resources, infrastructure, and managerial competencies are more likely to achieve competitive advantage and secure market opportunities (Madhok & Li, 2013). In the context of Uganda's oil and gas sector, the theory provides a useful framework for understanding how domestic firms mobilize resources and capabilities to participate in local content activities. Exploring CEO experiences through this theoretical lens offers deeper insights into the organizational factors that facilitate or constrain participation in petroleum supply chains.

Against this background, the present study explores local content participation among domestic firms operating in Uganda's oil and gas sector from the perspectives of Chief Executive Officers. By focusing on executive experiences and interpretations, the study contributes qualitative evidence that complements existing quantitative findings and enhances understanding of local content implementation within an emerging petroleum economy.

2. Literature Review

Local Content Participation in the Oil and Gas Sector

Local content participation refers to the involvement of domestic firms, labour, goods, and services in activities associated with the oil and gas value chain (Tordo et al., 2021). The concept has gained prominence among resource-rich countries seeking to ensure that extractive industries contribute to broader economic development rather than functioning as isolated enclaves within national economies (Hilson & Ovadia, 2020). Local content policies are therefore intended to

create linkages between petroleum investments and domestic enterprises through procurement opportunities, supplier development programmes, technology transfer initiatives, and employment creation (Ovadia, 2022).

Research indicates that effective local content participation can generate significant economic benefits through enterprise development, industrial upgrading, employment creation, and enhanced domestic competitiveness (Ackah & Mohammed, 2020). In many developing economies, governments have introduced local content regulations to increase the participation of indigenous firms in petroleum sector activities and reduce dependence on foreign suppliers (Acheampong et al., 2019). However, the success of these initiatives often depends on the readiness of domestic firms to meet industry standards and compete effectively within highly specialized petroleum supply chains (Aigboduwa & Oisamoje, 2023).

Although local content policies create opportunities for domestic participation, empirical studies suggest that many local firms continue to face significant barriers that limit their ability to benefit from these opportunities (Adalety, 2022). Challenges such as inadequate technical expertise, limited access to finance, weak infrastructure, and insufficient managerial capabilities have been reported across several petroleum-producing countries (Hausmann & Rodrik, 2022). Consequently, the extent of local content participation often varies according to the capabilities and preparedness of domestic enterprises.

Capacity Building and Local Content Participation

Capacity building is widely recognized as an important mechanism for enhancing the ability of domestic firms to participate in oil and gas activities (Medani, 2022). Capacity-building initiatives typically involve training programmes, knowledge transfer arrangements, supplier development interventions, and access to financial support aimed at improving organizational competencies (Ahmed, 2022). Such interventions enable firms to understand industry requirements, comply with operational standards, and improve their competitiveness within petroleum supply chains (Monday & Agorzie, 2023).

Previous studies have shown that firms that benefit from training and knowledge transfer programmes are often better positioned to secure procurement opportunities and establish sustainable relationships with multinational oil companies (Arthur & Arthur, 2023). Similarly, access to finance has been identified as an important factor that enables firms to invest in equipment, technology, and infrastructure required to participate effectively in petroleum activities (Hansen, 2020). Despite these benefits, many domestic firms continue to report

challenges in accessing the resources required to translate acquired knowledge into practical participation within the oil and gas sector (Nduhura, 2018).

Firm Capabilities and Local Content Participation

Firm capabilities refer to the organizational resources, competencies, and operational capacities that enable firms to perform activities effectively and achieve desired objectives (Jaworska, 2023). Within the context of the oil and gas sector, firm capabilities commonly include production capacity, infrastructure, skilled human resources, financial strength, and managerial competence (Tho, 2020). These capabilities determine the extent to which firms can satisfy industry requirements and compete for procurement opportunities.

Studies have consistently demonstrated that firms possessing stronger capabilities are more likely to participate successfully in petroleum sector activities (Morintat & Ouma, 2020). Production systems, specialized infrastructure, skilled personnel, and financial resources enhance organizational readiness and improve the ability of firms to deliver goods and services that meet industry expectations (Cusumano & Elenkov, 2020). Conversely, firms with limited capabilities often struggle to meet quality, safety, and delivery requirements imposed by international oil companies, thereby limiting their participation in petroleum supply chains (Mukiibi, 2024).

Theoretical Review

This study is guided by the Resource-Based Theory developed by Barney (1991). The theory argues that organizational performance and competitiveness are determined by the possession and effective utilization of valuable, rare, inimitable, and non-substitutable resources. According to the theory, firms achieve superior outcomes when they possess resources and capabilities that are difficult for competitors to replicate (Barney, 1991).

The Resource-Based Theory is particularly relevant to local content participation because domestic firms operating within the oil and gas sector must rely on their internal resources and capabilities to compete for opportunities created by local content policies (Madhok & Li, 2013). Resources such as technical knowledge, financial capital, skilled employees, infrastructure, and managerial expertise constitute strategic assets that influence participation within petroleum supply chains (Rosetti & Choi, 2015). The theory therefore provides a useful lens through which CEO experiences and perspectives regarding local content participation can be understood.

Knowledge Gap

While previous studies have examined local content participation using quantitative approaches and survey-based

methods, limited attention has been given to the experiences and perspectives of Chief Executive Officers who directly manage firms operating within the petroleum sector (Chuwa, 2023). Existing literature largely explains participation through statistical relationships among organizational variables but provides limited understanding of how business leaders interpret the opportunities and challenges associated with local content implementation (Akankwasa, 2022). This study addresses this gap by exploring local content participation from the perspectives of CEOs of domestic firms operating in Uganda's oil and gas sector.

3. Methodology

Research Philosophy

This study was guided by the interpretivist research philosophy. Interpretivism assumes that reality is socially constructed and can best be understood through the meanings individuals attach to their experiences (Saunders et al., 2019). The philosophy was considered appropriate because the study sought to understand how Chief Executive Officers perceive and experience local content participation within Uganda's oil and gas sector. Rather than measuring relationships among variables, the study focused on exploring participants' interpretations, experiences, and perspectives regarding opportunities and challenges associated with local content participation.

Research Design

The study adopted a qualitative research design. Qualitative research enables researchers to obtain detailed accounts of participants' experiences and to understand complex social phenomena from the perspectives of those directly involved (Creswell & Creswell, 2018). The design was considered suitable because local content participation involves organizational experiences, perceptions, and contextual factors that are difficult to adequately capture through quantitative approaches alone.

Study Population and Sampling

The study targeted Chief Executive Officers of domestic firms registered on the National Supplier Database of the Petroleum Authority of Uganda. CEOs were selected because they occupy strategic leadership positions and possess extensive knowledge regarding firm participation in the oil and gas sector. Their responsibilities include organizational decision-making, resource allocation, strategic planning, and engagement with industry stakeholders, making them well positioned to provide insights into local content participation.

Participants were selected using purposive sampling. Purposive sampling enabled the selection of information-rich participants with direct experience and knowledge of the

phenomenon under investigation (Patton, 2015). A total of 21 CEOs were initially targeted. However, interviews were conducted with 18 CEOs because data saturation was achieved at this point. Data saturation occurs when additional interviews no longer generate new themes or insights relevant to the study objectives (Guest et al., 2020).

Data Collection

Data were collected through semi-structured interviews. Semi-structured interviews provided flexibility for participants to share their experiences while allowing the researcher to maintain focus on issues related to local content participation (Kvale & Brinkmann, 2015). An interview guide was developed based on the study objectives and relevant literature. The guide contained open-ended questions relating to participation experiences, organizational capabilities, capacity development initiatives, regulatory requirements, and challenges affecting local content participation.

Interviews were conducted between CEOs and the researcher at locations convenient to the participants. With participants' consent, interviews were audio-recorded to ensure accurate capture of responses. Additional notes were taken during interviews to record observations and contextual information. Each interview lasted approximately 45 to 60 minutes.

Data Analysis

Interview data were analysed using thematic analysis following the procedures proposed by Braun and Clarke (2021). The analysis began with transcription of interview recordings and repeated reading of transcripts to facilitate familiarization with the data. Initial codes were then generated from relevant statements and expressions contained within the transcripts. Similar codes were subsequently grouped into categories and broader themes reflecting patterns across participant experiences.

The identified themes were reviewed and refined to ensure consistency and alignment with the study objectives. The final themes captured participants' perspectives regarding local content participation, including perceived opportunities, organizational capabilities, capacity-building initiatives, regulatory influences, and participation challenges. Illustrative quotations were used to support the interpretation of findings and enhance the credibility of the analysis.

Trustworthiness of the Study

Trustworthiness was ensured through credibility, dependability, transferability, and confirmability. Credibility was enhanced through prolonged engagement with participants and the use of direct quotations to support interpretations (Lincoln & Guba, 1985). Dependability was strengthened through maintaining a clear audit trail documenting the research

process and analytical decisions. Transferability was supported by providing detailed descriptions of the study context and participant characteristics. Confirmability was achieved through careful documentation of data analysis procedures and ensuring that findings were grounded in participants' accounts rather than researcher assumptions.

Ethical Considerations

Ethical approval for the study was obtained from the relevant university authorities before data collection commenced. Participation in the study was voluntary, and informed consent was obtained from all participants prior to the interviews. Participants were informed about the purpose of the study, their right to withdraw at any stage, and the measures taken to ensure confidentiality. To protect anonymity, participants were identified using codes rather than personal names during analysis and reporting. Interview recordings and transcripts were securely stored and accessed only by the researcher.

4. Findings and Discussion

This section presents findings from interviews conducted with 18 Chief Executive Officers (CEOs) of domestic firms registered on the National Supplier Database of the Petroleum Authority of Uganda. The CEOs were selected because they occupy strategic leadership positions and possess firsthand experience regarding participation in Uganda's oil and gas sector. Through thematic analysis, three major themes emerged from the interviews, namely capacity building, firm capabilities, and local content participation. The findings are presented and discussed concurrently to facilitate interpretation of participant experiences in relation to existing literature and the Resource-Based Theory.

Capacity Building and Local Content Participation

A dominant theme emerging from the interviews was the importance of capacity building in facilitating local content participation. Participants consistently emphasized that the ability of domestic firms to participate in Uganda's oil and gas sector depends significantly on access to training opportunities, knowledge transfer mechanisms, and financial resources. According to the CEOs, many local firms initially lacked the competencies, experience, and resources required to compete effectively within the petroleum industry. Consequently, capacity-building initiatives were viewed as critical mechanisms for enhancing firm preparedness and increasing participation in local content activities.

Training and Local Content Participation

Participants explained that training has played a significant role in improving awareness and understanding of industry requirements among domestic firms. They noted that the oil and gas sector operates under stringent technical, operational, health, safety, and environmental standards that many local firms had not previously encountered. Training programmes

were therefore perceived as important in preparing firms to comply with these requirements and participate effectively in procurement opportunities.

One participant explained:

"...When the oil and gas industry started attracting attention in Uganda, many local companies were interested in participating, but most of them had very little understanding of how the sector actually operated. There was limited knowledge regarding procurement procedures, supplier registration requirements, quality assurance systems, and health and safety standards. Through various training programmes organized by the Petroleum Authority of Uganda, international oil companies, and other stakeholders, local firms have gradually improved their understanding of these issues. Today many firms are better informed about what is expected of them and how they can position themselves to participate in the sector. Without such training programmes, many local firms would still struggle to understand the requirements for participation..."(CEO 4)

The above quotation suggests that training contributes significantly to organizational preparedness by improving awareness of sector requirements. The participant's narrative demonstrates that training serves as a mechanism through which firms acquire the knowledge necessary to navigate procurement processes and comply with industry expectations. This implies that training reduces information asymmetries that often prevent domestic firms from participating in petroleum sector opportunities.

Another participant stated:

"...The biggest challenge for many local firms was not necessarily a lack of interest but rather a lack of understanding of how the industry functions. Many firms wanted to participate but did not know how procurement systems worked or what standards were required by international oil companies. Training programmes have helped bridge this gap by exposing firms to industry practices, supplier requirements, contract management procedures, and compliance obligations. These programmes have improved confidence among local firms and encouraged them to pursue opportunities that previously appeared beyond their reach..."(CEO 9)

The findings indicate that training enhances organizational confidence and preparedness, thereby increasing the likelihood of participation in local content activities. These findings support Medani (2022), who argued that capacity-building initiatives strengthen organizational competencies required for effective participation in competitive industries. Similarly, Ahmed (2022) observed that training improves organizational performance by enhancing technical and managerial

capabilities. From the perspective of the Resource-Based Theory, knowledge acquired through training represents a valuable organizational resource that enhances competitiveness and improves participation opportunities (Barney, 1991).

Knowledge Transfer and Local Content Participation

The interviews further revealed that knowledge transfer constitutes an important dimension of capacity building. Participants explained that local firms often acquire valuable knowledge through partnerships, subcontracting arrangements, mentorship programmes, and interactions with international oil companies. Such engagements expose domestic firms to advanced technologies, operational practices, and management systems that contribute to organizational learning.

One CEO observed:

"...One of the most important benefits of participating in the oil and gas sector has been the opportunity to learn from international companies. Through partnerships and subcontracting arrangements, local firms are exposed to global standards and industry best practices. We learn how projects are managed, how quality systems are implemented, and how operational risks are controlled. This exposure has significantly improved the capabilities of many local firms. The knowledge acquired through these interactions often becomes more valuable than the immediate financial benefits associated with a particular contract..."(CEO 7)

The participant's account demonstrates that knowledge transfer extends beyond formal training programmes and occurs through practical engagement with experienced industry actors. Such interactions facilitate organizational learning and contribute to the development of competencies required for successful participation within petroleum supply chains.

Another participant explained:

"...Knowledge transfer has enabled local firms to understand technologies, systems, and operational approaches that were previously unfamiliar. Working alongside international companies allows domestic firms to observe how complex projects are executed and how quality requirements are maintained. Over time, this experience contributes to the development of local expertise and improves the ability of domestic firms to undertake more sophisticated assignments within the sector..."(CEO 13)

These findings suggest that knowledge transfer plays a critical role in enhancing the competitiveness of domestic firms. The findings support Monday and Agorzie (2023), who emphasized that knowledge acquisition facilitates technology absorption and innovation within organizations. The findings are also consistent with Arthur and Arthur (2023), who observed that partnerships and knowledge-sharing

arrangements contribute to the development of local supplier capabilities within extractive industries. Resource-Based Theory similarly argues that knowledge constitutes a strategic asset capable of generating competitive advantage when effectively acquired and utilized (Barney, 1991).

Access to Credit and Local Content Participation

Although participants acknowledged the benefits associated with training and knowledge transfer, they repeatedly emphasized that access to credit remains one of the most significant determinants of participation within Uganda's oil and gas sector. CEOs explained that participation often requires substantial investments in equipment, infrastructure, certifications, and operational resources. Consequently, firms with limited access to finance frequently encounter difficulties translating acquired knowledge into actual participation.

One participant stated:

"...Many local firms have attended training programmes and acquired the knowledge required to participate in the oil and gas sector. However, knowledge alone is not enough. Most contracts require suppliers to invest in equipment, technology, transport systems, and working capital before they can execute assignments successfully. Unfortunately, access to affordable financing remains a major challenge for many domestic firms. As a result, firms often possess the knowledge required to participate but lack the financial capacity to take advantage of available opportunities..."(CEO 12)

This quotation demonstrates that financial resources play a critical role in enabling firms to operationalize the competencies acquired through training and knowledge transfer. Without adequate access to credit, firms may remain unable to compete effectively despite possessing the necessary knowledge and skills.

Another CEO observed:

"...Access to finance is probably the biggest challenge facing local firms. Oil and gas projects require substantial investments, yet many financial institutions are reluctant to provide long-term financing because they perceive the sector as risky. Consequently, local firms often struggle to raise the capital needed to invest in infrastructure, recruit skilled personnel, and meet contractual obligations. This significantly limits participation even where opportunities exist..."(CEO 16)

The findings indicate that access to credit acts as an enabling resource that allows firms to convert knowledge and capabilities into actual participation. These observations support Hansen (2020), who identified financing constraints as a major barrier to local supplier participation in petroleum industries. Similarly, Nduhura (2018) reported that limited access to capital restricts the ability of domestic firms to

compete effectively for opportunities within Uganda's oil and gas sector. Resource-Based Theory further suggests that financial resources constitute strategic assets that influence organizational competitiveness and performance (Barney, 1991).

Collectively, the findings demonstrate that capacity building plays a critical role in enhancing local content participation among domestic firms. Training improves awareness of industry requirements, knowledge transfer facilitates organizational learning, and access to credit enables firms to operationalize acquired competencies. The findings suggest that these dimensions operate in a complementary manner, with deficiencies in one area reducing the effectiveness of the others. The results therefore reinforce the argument that meaningful local content participation requires sustained investment in capacity development initiatives that strengthen both organizational knowledge and financial readiness. Moreover, the findings provide support for the Resource-Based Theory by demonstrating that valuable organizational resources such as knowledge, skills, and financial capital contribute significantly to participation within Uganda's oil and gas sector.

Firm Capabilities and Local Content Participation

Beyond capacity building, participants repeatedly returned to the issue of firm capabilities when explaining why some domestic firms successfully participate in Uganda's oil and gas sector while others remain on the periphery. CEOs generally argued that opportunities created through local content policies can only be exploited when firms possess sufficient operational strength, technical competence, and financial stability. Discussions in this regard revolved around four closely related dimensions, namely production capacity, infrastructure, human resources, and capital base.

Production Capacity and Ability to Respond to Industry Demand

Production capacity emerged as a recurring issue throughout the interviews. Participants described the oil and gas sector as an environment characterized by demanding procurement requirements, strict delivery schedules, and expectations of consistent quality. Within such a context, the ability of firms to produce and deliver at scale was viewed as a critical determinant of participation.

One participant reflected:

"...Many local firms possess the ambition to participate in the oil and gas sector, but ambition alone is not enough. The reality is that clients expect suppliers to demonstrate that they can deliver large volumes of goods and services within agreed timelines. In many cases, local firms are unable to meet these expectations because their production systems were originally

designed for smaller markets. When procurement opportunities arise, firms often struggle to scale up operations quickly enough to satisfy industry requirements. As a result, contracts that could have been executed by local firms are sometimes awarded elsewhere because of concerns regarding capacity and reliability..."(CEO 6)

This account illustrates that production capacity is viewed not merely as an operational issue but as a measure of organizational credibility. Firms capable of meeting large-volume requirements were generally perceived as more reliable and more attractive to industry operators. Discussions therefore linked production capacity to confidence, trust, and competitiveness within the petroleum supply chain.

Another participant observed:

"...Oil and gas projects require suppliers who can deliver consistently over long periods of time. It is not enough to demonstrate that a firm can supply products once; clients want assurance that the supplier can sustain delivery throughout the duration of a project. Firms with strong production systems are usually better positioned because they can guarantee continuity and reliability. This becomes an important consideration during supplier evaluation and contract award processes..."(CEO 10)

The experiences described by participants resonate with the argument advanced by Wang and Ahmed (2021), who observed that organizational capabilities influence the extent to which firms are able to transform resources into competitive outcomes. Similar conclusions were reached by Jaworska (2023), who emphasized that firms possessing stronger operational capabilities are generally better positioned to exploit market opportunities. From the perspective of the Resource-Based Theory, production capacity represents a strategic capability that enables firms to convert available resources into sustainable participation within complex industries (Barney, 1991).

Infrastructure and Operational Readiness

Infrastructure featured prominently in discussions regarding participation in petroleum sector activities. Participants frequently associated competitiveness with the availability of physical assets such as machinery, transport equipment, storage facilities, communication systems, and operational technologies. These assets were viewed as practical indicators of a firm's readiness to undertake petroleum-related assignments.

One CEO explained:

"...Infrastructure has become one of the defining characteristics that separate firms that participate successfully from those that struggle. The oil and gas sector requires

specialized equipment and facilities that many local firms do not possess. Clientsoften assess whether suppliers have the machinery, storage facilities, transportation systems, and technological resources required to execute contracts effectively. Firms lacking these assets may satisfy other requirements but still find themselves unable to compete because they cannot demonstrate operational readiness..."(CEO 11)

The narratives reveal that infrastructure is often interpreted as tangible evidence of a firm's ability to execute projects. Possession of modern facilities and equipment appears to increase confidence among clients and improve perceptions of reliability.

Another participant remarked:

"...Over the years, we have invested heavily in infrastructure because we recognized that participation requires more than technical knowledge. The ability to mobilize equipment quickly, transport materials efficiently, and maintain operational continuity has become increasingly important. These investments have strengthened our competitive position and improved our chances of securing contracts. Without them, many opportunities would have remained beyond our reach..."(CEO 3)

These experiences mirror observations by Cusumano and Elenkov (2020), who argued that organizational assets play a critical role in determining competitiveness within technologically demanding industries. Similar views are expressed by Morintat and Ouma (2020), who emphasize that infrastructure investment enhances operational efficiency and organizational performance. Within the Resource-Based Theory framework, infrastructure constitutes a valuable organizational resource capable of generating competitive advantage when effectively deployed (Barney, 1991).

Human Resources and Technical Competence

Participants also devoted considerable attention to the role of human resources in facilitating participation within the oil and gas sector. Discussions frequently highlighted the demand for specialized expertise in engineering, procurement, project management, quality assurance, and health and safety management. CEOs generally agreed that access to skilled personnel remains one of the most important determinants of competitiveness.

One participant explained:

"...The oil and gas sector demands a level of technical expertise that many firms are still developing. While Uganda has made significant progress in producing qualified professionals, the demand for specialized skills often exceeds supply. Firms require engineers, project managers, safety

specialists, and technical personnel capable of operating within international standards. Without these competencies, participation becomes difficult because clients place considerable emphasis on technical capability when evaluating suppliers..."(CEO 15)

The account suggests that human resources are viewed not simply as employees but as repositories of specialized knowledge and expertise. Discussions frequently linked technical competence to organizational credibility and the ability to deliver quality outcomes.

Another participant noted:

"...Equipment and infrastructure are important, but ultimately it is people who make projects successful. Firms that invest in developing their employees tend to perform better because they possess the expertise required to solve problems, manage risks, and satisfy client expectations. In our experience, continuous staff development has become essential for sustaining participation in the oil and gas sector..."(CEO 1)

These observations align with Tho (2020), who identified human capital as a critical driver of organizational competitiveness and innovation. Similar conclusions were reached by Wang and Ahmed (2021), who emphasized the importance of skilled employees in enabling firms to adapt to changing industry conditions. From a Resource-Based Theory perspective, specialized expertise constitutes a valuable and difficult-to-imitate resource capable of generating sustained competitive advantage (Barney, 1991).

Capital Base and Organizational Sustainability

The interviews further revealed that capital base plays a decisive role in shaping participation outcomes. Participants repeatedly emphasized that petroleum sector activities require substantial investments in equipment, technology, certifications, infrastructure, and workforce development. Firms possessing stronger financial foundations were generally perceived as better positioned to pursue opportunities and withstand operational risks.

One participant stated:

"...A strong capital base provides firms with the flexibility required to compete effectively. Participation in the oil and gas sector often requires significant upfront investment long before revenues are realized. Firms need resources to purchase equipment, recruit qualified personnel, maintain certifications, and finance project implementation. Without adequate capital, even firms with strong technical capabilities may struggle to participate because they lack the resources required to support operations..."(CEO 14)

This perspective highlights the role of financial resources in enabling firms to mobilize and sustain other organizational

capabilities. Capital was frequently described as the foundation upon which investments in infrastructure, technology, and human resources are built.

Another participant reflected:

"...Many domestic firms have developed the knowledge and expertise required to participate in the sector, but financial limitations continue to restrict growth. Opportunities often emerge unexpectedly and require immediate responses. Firms with stronger capital positions are able to act quickly, while those with limited resources frequently miss opportunities because they cannot mobilize the required investments within the available time..."(CEO 17)

The narratives suggest that financial strength influences not only participation but also organizational responsiveness and strategic flexibility. These experiences resonate with Hansen (2020), who identified access to financial resources as a critical determinant of supplier competitiveness in extractive industries. Hausmann and Rodrik (2022) similarly observed that financial constraints frequently limit the ability of domestic firms to compete with established international companies. Consistent with the Resource-Based Theory, capital resources constitute strategic assets that enable firms to acquire, develop, and deploy complementary capabilities required for sustained competitiveness (Barney, 1991).

Taken together, the experiences shared by participants portray firm capabilities as the engine that drives participation within Uganda's oil and gas sector. Production capacity enhances the ability to respond to industry demand, infrastructure strengthens operational readiness, human resources provide the expertise required for project execution, and capital base supplies the resources necessary to sustain growth and competitiveness. Rather than operating independently, these capabilities appear to reinforce one another, creating a foundation upon which firms pursue opportunities and navigate industry challenges. The narratives therefore provide strong support for the Resource-Based Theory by demonstrating that participation in petroleum sector activities is closely linked to the possession and effective deployment of valuable organizational resources and capabilities.

Local Content Participation and Consumption

While discussions relating to capacity building and firm capabilities focused largely on organizational preparedness, participants ultimately evaluated success in terms of the extent to which domestic firms were able to secure contracts and supply goods and materials within Uganda's oil and gas sector. For many CEOs, local content participation was not merely a policy objective but a practical measure of whether domestic

firms were deriving meaningful benefits from petroleum sector investments. Two dimensions emerged prominently from the interviews, namely contracting local firms and utilization of locally available materials.

Contracting Local Firms and Access to Petroleum Sector Opportunities

Participants generally acknowledged that local content policies have increased opportunities for domestic firms to participate in procurement activities. However, they also emphasized that access to contracts remains uneven, with some firms benefiting considerably more than others. Discussions revealed that contract awards are often influenced by the ability of firms to satisfy technical, financial, and operational requirements established by industry operators.

One participant explained:

"...Compared to ten years ago, there has been noticeable progress in the involvement of local firms within the oil and gas sector. More domestic companies are now participating in procurement activities, particularly in areas such as logistics, transportation, catering, civil works, and support services. Local content policies have encouraged operators to consider domestic suppliers and this has created opportunities that previously did not exist. Nevertheless, participation remains uneven because not all firms possess the capabilities required to compete effectively. Some firms continue to struggle despite the existence of these opportunities because they are unable to satisfy the standards expected by clients..."(CEO 2)

The experiences shared by participants suggest that local content policies have contributed to opening procurement opportunities for domestic firms. However, access to these opportunities appears to depend heavily on the capabilities possessed by individual firms. CEOs frequently described participation as a process through which firms must continuously demonstrate reliability, competence, and compliance with industry standards.

A similar perspective emerged from another participant:

"...The introduction of local content requirements has undoubtedly improved visibility for domestic suppliers. Today, international companies are more conscious of the need to engage local firms than they were in the past. However, the reality is that contracts are not awarded simply because a company is local. Firms must still demonstrate technical competence, financial stability, and operational readiness. In many instances, local firms find themselves competing not only with international companies but also with other domestic suppliers. Consequently, participation is increasingly determined by competitiveness rather than nationality alone..."(CEO 5)

These narratives illustrate the complex relationship between policy intentions and practical outcomes. While local content frameworks create opportunities, firms must still possess sufficient capabilities to capitalize on them. Similar observations were reported by Hilson and Ovadia (2020), who argued that local content policies can expand participation opportunities but do not automatically guarantee successful involvement of domestic firms. Tordo et al. (2021) likewise noted that procurement opportunities generate meaningful outcomes only when local firms possess the competencies required to satisfy industry expectations.

Viewed through the Resource-Based Theory, the ability to secure contracts reflects the successful deployment of organizational resources and capabilities. Firms that possess stronger knowledge bases, infrastructure, financial resources, and operational systems are more likely to transform opportunities into tangible participation outcomes (Barney, 1991). The narratives therefore suggest that contracting local firms represents the practical manifestation of accumulated organizational capabilities.

Utilization of Locally Available Materials and Domestic Value Creation

Beyond procurement opportunities, participants emphasized the importance of increasing the use of locally available materials within petroleum sector projects. CEOs frequently associated local material utilization with broader economic benefits such as business growth, employment creation, industrial development, and retention of value within the domestic economy.

One participant remarked:

"...The use of locally available materials represents one of the most visible indicators of local content success. Whenever petroleum projects source materials locally, domestic businesses benefit directly through increased sales and production activities. This creates employment opportunities, strengthens local industries, and contributes to economic growth. Although certain specialized materials still need to be imported, there has been gradual progress in encouraging the use of locally produced goods wherever possible..."(CEO 8)

The participant's account reflects a broader understanding of local content that extends beyond supplier participation to encompass wider economic linkages. CEOs frequently described local material utilization as a mechanism through which petroleum investments generate benefits across multiple sectors of the economy.

Another participant explained:

"...There is still considerable room for improvement regarding the use of local materials. Many domestic firms have

developed the capacity to supply a range of products that were previously sourced from outside Uganda. However, challenges remain because some projects continue to rely heavily on imported materials, particularly where highly specialized inputs are required. Strengthening domestic manufacturing and encouraging investment in local production would significantly increase the contribution of local content to national development..."(CEO 18)

The narratives suggest that local material utilization remains constrained by the structure and maturity of domestic industries. While progress has been recorded, participants acknowledged that certain technical requirements continue to necessitate imports. This observation aligns with Ackah and Mohammed (2020), who argued that the success of local content initiatives depends partly on the ability of domestic industries to supply goods that meet sector requirements. Similar conclusions were reached by Ovadia (2022), who noted that local sourcing is often influenced by the level of industrial development within the host economy.

From the perspective of the Resource-Based Theory, the utilization of locally available materials reflects the extent to which domestic firms have developed productive capabilities capable of satisfying industry demand. Where such capabilities exist, firms are able to convert local resources into economic opportunities and contribute to broader value creation. Consequently, local material utilization may be viewed as an outcome of both organizational capability development and industrial growth.

The experiences shared by participants reveal that local content participation extends beyond policy compliance and encompasses the practical involvement of domestic firms within petroleum sector value chains. Contracting local firms provides direct access to procurement opportunities, while utilization of locally available materials strengthens domestic economic linkages and promotes industrial development. However, the narratives also suggest that participation remains conditional upon the ability of firms to satisfy industry requirements relating to quality, reliability, technical competence, and operational capacity.

Rather than functioning as isolated outcomes, contracting local firms and local material utilization appear to represent the culmination of investments in capacity building and capability development. Firms that possess stronger organizational resources are better positioned to secure contracts and increase the supply of domestic goods and services within petroleum projects. These observations reinforce the central proposition of the Resource-Based Theory that competitive advantage and organizational outcomes are influenced by the possession and effective deployment of valuable resources and capabilities

(Barney, 1991).

Overall Synthesis of Findings

The findings portray local content participation as a multidimensional process shaped by the interaction between organizational preparedness, firm capabilities, and access to participation opportunities. Capacity building contributes by strengthening knowledge, skills, and financial readiness. Firm capabilities enhance competitiveness through improvements in production systems, infrastructure, human resources, and financial strength. These resources subsequently influence the ability of firms to secure contracts and increase the utilization of locally available materials within petroleum sector activities.

The narratives further demonstrate that local content policies alone are insufficient to guarantee participation. Meaningful participation occurs when policy interventions are complemented by investments that strengthen the internal capabilities of domestic firms. Consequently, local content participation emerges not merely as a regulatory requirement but as an outcome of sustained organizational development and strategic resource accumulation. Collectively, the findings provide strong empirical support for the Resource-Based Theory by illustrating how valuable organizational resources and capabilities influence the participation of domestic firms within Uganda's oil and gas sector.

Funding

This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

Conflicting Interests

The author declares that there are no conflicts of interest regarding the publication of this article.

Author Contribution

Mugisa Samuel conceptualized the study, designed the research, collected and analyzed the data, interpreted the findings, and prepared the manuscript. The author read and approved the final version of the manuscript.

Acknowledgements

The author expresses sincere appreciation to the Chief Executive Officers who participated in this study and generously shared their experiences and perspectives regarding local content participation in Uganda's oil and gas sector. Appreciation is also extended to the Petroleum Authority of Uganda for maintaining the National Supplier Database, which facilitated identification of participating firms. The author is further grateful to Dr. Tumuhimbise Manasseh of Mbarara University of Science and Technology and Prof. Vincent Bagire of Makerere University Business School for their academic guidance, constructive comments, and valuable supervision

throughout the study.

Ethical Approval

Ethical approval was obtained from the relevant institutional authorities prior to data collection. Participation in the study was voluntary and informed consent was obtained from all participants. Confidentiality and anonymity of participants were maintained throughout the research process.

Data Availability Statement

The data supporting the findings of this study are available from the author upon reasonable request. Access may be subject to ethical and confidentiality considerations relating to the participating firms and interview respondents.

References

1. Ackah, C., & Mohammed, A. (2020). Local Content Policies and Domestic Enterprise Development in the Oil and Gas Sector. *Journal of Energy in Southern Africa*, 31(2), 15-28.
2. Ahmed, A. A. A. (2022). Capacity Building and Organizational Performance: Evidence from Developing Economies. *International Journal of Organizational Analysis*, 30(4), 1032-1048.
3. Arthur, J., & Arthur, E. (2023). Local Content Development and Supplier Participation in Extractive Industries: Evidence from Emerging Economies. *Resources Policy*, 82, 103471.
4. Barney, J. B. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 99-120.
5. Braun, V., & Clarke, V. (2021). *Thematic Analysis: A Practical Guide*. Sage Publications.
6. Creswell, J. W., & Creswell, J. D. (2018). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches* (5th ed.). Sage Publications.
7. Cusumano, M. A., & Elenkov, D. (2020). Competing Through Capabilities: Organizational Resources and Industry Performance. *Business Horizons*, 63(5), 615-624.
8. Guest, G., Namey, E., & Chen, M. (2020). A Simple Method to Assess and Report Thematic Saturation in Qualitative Research. *PLOS ONE*, 15(5), e0232076.
9. Hansen, M. W. (2020). Local Supplier Development in Africa's Extractive Industries. *The Extractive Industries and Society*, 7(1), 181-189.
10. Hausmann, R., & Rodrik, D. (2022). Economic Development as Self-Discovery. *Journal of Development Economics*, 72(2), 603-633.
11. Hilson, G., & Ovadia, J. S. (2020). Local Content Policies in the African Extractive Sector: Lessons and Challenges. *The Extractive Industries and Society*, 7(2), 341-352.
12. Jaworska, S. (2023). Firm Capabilities and Competitive Advantage in Dynamic Business Environments. *Journal of*

13. Kvale, S., & Brinkmann, S. (2015). *InterViews: Learning the Craft of Qualitative Research Interviewing* (3rd ed.). Sage Publications.
14. Lincoln, Y. S., & Guba, E. G. (1985). *Naturalistic Inquiry*. Sage Publications.
15. Medani, A. H. (2022). Capacity Building and Organizational Effectiveness in Developing Economies. *International Journal of Public Administration*, 45(8), 621-634.
16. Monday, J. U., & Agorzie, C. J. (2023). Technological Capability and Organizational Competitiveness in Emerging Markets. *Technology in Society*, 72, 102190.
17. Morintat, O., & Ouma, C. (2020). Infrastructure Development and Firm Competitiveness in Africa. *African Journal of Economic and Management Studies*, 11(4), 617-633.
18. Nduhura, A. (2018). Local Content Policy Implementation and Participation of Ugandan Firms in the Petroleum Sector. *Makerere Business Journal*, 14(2), 88-103.
19. Ovadia, J. S. (2022). Local Content and Industrial Development in Africa's Petroleum Sector. *Resources Policy*, 75, 102456.
20. Patton, M. Q. (2015). *Qualitative Research and Evaluation Methods* (4th ed.). Sage Publications.
21. Saunders, M., Lewis, P., & Thornhill, A. (2019). *Research Methods for Business Students* (8th ed.). Pearson Education.
22. Tho, N. D. (2020). Human Capital, Organizational Learning, and Firm Performance. *Management Science Letters*, 10(15), 3697-3704.
23. Tordo, S., Warner, M., Manzano, O., & Anouti, Y. (2021). *Local Content Policies in the Oil and Gas Sector*. World Bank.
24. Wang, C. L., & Ahmed, P. K. (2021). Dynamic Capabilities: A Review and Research Agenda. *International Journal of Management Reviews*, 23(1), 31-57.