Oil for Development
www.norad.no/ofd
Maputo 12.5.08
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Supply

- Rapidly growing African supply of oil and gas
  - 3.5 mbd in 2005, 5,5 mbd in 2015
  - Many new petroleum producing countries
- Further upside
  - Undiscovered 100 bn bbls/Middle East 250 bn bbls
  - New actors?
  - Gas/LNG
- Strategic issues/security of supply (25% of US imports from Africa)
Demand

- Rapid expected growth p.a. until 2030: 2,4% p.a.
- 76 % of all Africans (575Mill) use charcoal\agric. waste\animal dung. High human and environmental costs
- High potential demand for
  - Electricity
  - LPG
Income

- 3.5 mbd equals approx 100 bn USD\/yr
  - Average government take 65%
  - High figure compared to total foreign aid
- 20 times Norwegian aid budget
Questions

- The link "Energy abundance\Access to energy"
  - Follow the money
  - Follow the molecules
    - How much earmarked for domestic use?
- Why not more gas for power?
  - WB policies\internal policies
  - Gas flaring
- Pricing?\subsidies
Questions, cntd.

- Overall supply to be increased further?
- Relationship security of supply and good domestic governance\policies