Natural Gas and Sustainable Development Goals
Opportunities and Challenges for Africa

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• Current reality: Where we are today
• Global energy trends and projections
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Fossil Fuel demand will range between 60% and 75%.
Natural gas shows strongest growing share among fossil fuels.

Global Primary Energy Fuel Shares and Outlook for 2040

- Coal
- Oil
- Gas
- Nuclear
- Hydro
- Biomass
- Other renewables
- All other

Sources: IEA WEO 2018, Annex Tables; OPEC WOO2018, Table 2.2 and 9.10.
Natural Gas Advantages For Africa
Five key advantages for natural gas

1. **Sustainability**

- Natural gas will **improve energy access** in Africa (electrification rate) and facilitate orderly energy transitions.

- Energy transition is a **comprehensive strategy** that should include both natural gas and renewables.

- Natural gas releases up to **50 percent less carbon** than coal and **20-30 percent less than oil**.

Source: Uppsala University, China University Petroleum
2. Cost Competitiveness

- A price of around $8/MMBtu can be competitive with oil-fired power at an oil price as low as $50/barrel.

- Use of oil in power generation is one reason why electricity is expensive in many Sub-Saharan African countries.

Source: US Energy Information Administration
3. **Resource Abundance**

- Africa has 7 percent of global reserves and sub-Saharan Africa is estimated to have 400 gigawatts of gas-generated power potential.

- Development of **natural gas supply ensures robust energy security** and decreases dependence on foreign markets.

*Source: BP Energy Outlook 2019*
Natural Gas Advantages for Africa
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4. Regional Integration

• Natural gas infrastructure (pipelines, LNG, cross-border interconnections) between countries can enhance cooperation and transparency.

• Signing of African Continental Free Trade Area (AfCFTA) has sown the seeds for pan-African collaboration and investment.

• Potential precursor to an Asian Gas Hub to establish transparent and reliable market signals and liquidity.
5. **Economic Opportunities**

- Expanding Africa’s infrastructure for natural gas would promote rapid industrialization.

- Availability of local natural gas supply can spur investment in other industries such as agriculture and petrochemicals.
SDG’s are contingent on policy and technology dialogue and cooperation
3 Key Challenges for Africa

1. Improving Energy Access
2. Facilitating Energy Transition
3. Increasing Cooperation and Dialogue
Key Dialogue Meetings

1. The 10th IEA-IEF-OPEC Symposium on Energy Outlooks on 18 February 2020 in Riyadh, Saudi Arabia

2. The 7th IEF-IGU Ministerial Gas Forum on 20-21 September 2020 in Kuala Lumpur, Malaysia

3. 5th IEA-IEF-OPEC Symposium on Gas and Coal Market Outlooks November 2020

4. The 17th IEF Ministerial Meeting in Riyadh in 2020