



## MOVE TO GAS

**H.E. CHARLES KITWANGA**  
**DEPUTY MINISTER FOR ENERGY AND MINERALS**  
**TANZANIA**

**Regarding the production and use of the country's natural gas reserves, what steps are being taken to gasify the country and decrease the reliance on burning wood for fuel?**

Several steps have been taken to use natural gas as a source of energy and ultimately reduce heavy dependence on fresh wood and charcoal as main fuel for cooking. The government of Tanzania, through the Tanzania Petroleum Development Corporation, is implementing a natural gas distribution project for households, institutions and vehicles. The project intended to construct infrastructure for distribution and marketing of gas to cover more than 30,000 households and institutions and 8,000 vehicles in the Dar es Salaam city. Currently, the status is: some vehicles have been converted to use CNG; some households have been connected to use natural gas, as pilot project; some institutions have been connected such as Keko Prisons, Serena Hotel and the Mgulani settlement. It is expected that upon successful operation of the pilot project, the scope will be expanded, as more gas is made available. It is expected most users of wood fuel will definitely switch to gas.

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**What is the anticipated future outlook for the country in terms of production, meeting local demand, and exporting gas to other countries?**

Tanzania is in the final stages of adopting the Natural Gas Master Plan, which will recommend a pattern for gas production, potential domestic demand, and natural gas for export, over a defined period.

**What are the target export destinations?**

Emanating from the policy, the domestic market is our first priority, still the government has not ruled out exporting gas through pipeline to neighbouring countries and LNG as a means to distant markets. The export market for natural gas is yet to be determined.

**Are new pipelines being considered?**

Tanzania has been operating a pipeline from the Songo Songo field to Dar es Salaam, which, however, is adequate for the current and future needs. The government is constructing a new pipeline with a larger capacity from Mtwara and Songo Songo to enhance gas supply in the city.

The government has initiated preliminary discussions with gas developers (Statoil/ExxonMobil and BG/Ophir Energy) towards implementing an LNG project. This project will enable extraction of deepsea gas for export market through LNG and availability of gas for the domestic market.

**How will gasification improve the country and the economy?**

Tanzania is expecting to benefit a lot from gas including reliable power supply for the economy, gas-related industries and revenues from gas sales domestically or internationally. Expectations based on past experience whereby the economy of Tanzania is saving more than \$1 billion per year by using natural gas instead of imported oil in existing power plants; the power sector foreign exchange market savings amounted to more than \$5,109 million from July 2004 to September 2013; the industrial sector savings amounted to more than \$458 million from July 2004 to September 2013.

**What are the government's aspirations on how to use the wealth brought in by the exploitation of this natural resource?**

The major aspirations by the government are reflected in the natural gas policy. The natural gas policy adopted on October, 2013 clearly focuses on managing revenue arising from natural gas with a view to benefit the present and future generations of Tanzanians.

The policy explicitly stated that the government shall: establish a natural gas revenue fund for the development and growth of natural gas industry as well as for national strategic projects to unlock economy and investment for future generation; ensure that natural gas revenue is used appropriately for the benefits of the present and future generations; ensure that the local communities benefit from the natural gas activities in their respective localities and ensure that an institutional arrangement, a legal framework and guidelines to manage the fund are in place. ■