



SESSION OPENING REMARKS BY

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AT THE

SADC MINISTERIAL WORKSHOP

ON REGIONAL GAS INFRASTRUCTURE AND MARKET

DEVELOPMENT

SANDTON CONVENTION CENTRE

JOHANNESBURG, SOUTH AFRICA

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- Fellow Honourable Ministers responsible for energy,
- Regional gas industry players and associates,
- Experts and academics,
- Members of the diplomatic corps,
- Development Finance Institutions as well as government officials from Member States
- Industry stakeholders and experts,
- Distinguished invited guests,
- Ladies and gentlemen,

Good Afternoon,

It is a pleasure to be invited to a workshop that brings together public and private stakeholders to discuss ways to harness regional energy resources in particular gas, to ensure, that all the people in the region have access to adequate, reliable, least-cost, environmentally sustainable energy services.

I will endeavour to share some of my views on this important subject.

The region including Namibia, is abundantly endowed with diverse indigenous energy sources. These resources including gas are significant, but remain largely underdeveloped. As a result, the region, and the very nature of this curtails the scope for the creation of meaningful jobs, for the advancement of our region's development, and for the lifting of the people out of poverty.

Strategically, the Namibian Government recognises that energy sector activities must focus on our local energy resources, which are part of our core national strengths, and that we must develop these national energy riches for the productive use across the country's economy. Secure, reliable and competitively priced energy is the feedstock of our developing commercial and industrial sectors, and it directly supports Government's many efforts to uplift the standard of living of all Namibians, irrespective of where they live in the country.

As we recognise the internationally competitive nature of investments in the gas sector, we will seek to maximise the attractiveness of Namibia as a destination for international companies to focus their efforts on, while also working to increase the involvement of local actors in this sector.

Namibia's energy sector comprises formalised electricity, upstream oil and gas, and downstream liquid fuels subsectors, as well as the less formalised downstream gas and thermal energy subsectors.

Today, Namibia's energy sector is dominated by liquid fuels which accounted for some 58% of all energy consumed, while electricity as well as biomass accounted for some 20% each, with the remainder in the form of coal and liquid petroleum gas.

The Namibian Government approved the National Energy Policy in 2017. For the upstream gas sector, the key policy thrust is aimed at attracting investments to further explore Namibia's gas potential, and strengthening the capacity in the sector as well as the regulation of the sector to support such investments, while also protecting Namibia's national interests. For the downstream gas sector, the key policy thrusts are to commercialise Namibia's natural gas resources, and to further the development and formalisation of the gas market through regulation and market development. The national Energy Policy further aims to improve procedures and frameworks to strengthen regional and international co-operation.

Namibia has an active upstream oil and gas exploration sector. Over the past 15 years, numerous licences have been issued, and significant geological data and information has been collected. However, so far, the only commercially exploitable find has been the Kudu Gas Field off the Namibian coast.

The Namibia Energy Institute is a national institute of Government, its mission is to undertake research, development, enhancement of energy policy and regulatory frameworks, stakeholder engagement, and project implementation on behalf of the ministry.

In terms of regional integration, a bilateral gas agreement was signed with the Republic of South Africa in 2003, principally in support of the development of the Kudu Gas Field.

Training and capacity building of Namibians is on-going and tertiary institutions have introduced courses relevant to the gas fraternity.

For the upstream gas sector, an effective regulatory structure was put in place, in addition to a successful licensing system was established, which attracted interest in

most offshore areas. Also a sizable geological database was set up by government.

The challenges in the upstream gas sector include attracting and retaining investments as well as access to financing that result in exploration activities which lead to achieving a first commercial discovery, and increasing local content and local participation throughout the industry.

As a member of the SADC, Namibia has adopted the SADC Protocol on Energy. SADC has enacted several strategic plans for energy development in the region, including the SADC Energy Cooperation Policy and Strategy in 1996, the SADC Energy Action Plan in 1997, the SADC Energy Activity Plan in 2000, and most recently, the Regional Infrastructure Development Master Plan and Energy Sector Plan in 2012. In general, these developments strategies focus on the infrastructure developments in the SADC member states' energy sectors. Although implementation has been slow, the region has made significant strides, particularly in the electricity sector.

The Namibian Government is cognisant of the challenges of the gas industry, including its capital intensive and high-risk nature, the lack of exploration successes, and the recent fall in the market prices. Therefore, a conducive and internationally competitive investment framework that attracts reputable gas companies is critically important. The Namibian Government will therefore continue to market and promote exploration activities actively and sustainably by attracting local and foreign investment to the sector.

Through the National Energy Policy, the Namibian

Government aims to:

- strengthen the national investment climate, to ensure certainty, stability and competitiveness through favourable commercial, legal and fiscal terms
- facilitate private sector investments, and support the development of necessary expertise in the exploration and development of the country's gas resources
- continue to promote investments in the gas sector at international, regional and national events
- Encourage collaboration between existing licence holders to carry out joint exploration programmes.

Effective implementation and management is crucial for the sustainable development of the gas industry. The Government of Namibia aims to maintain and enhance the gas resource data for the effective promotion of investments. To ensure that the country's petroleum resources are explored and exploited in an environmentally sound and safe manner, and that the health and safety of all persons involved in the sector is protected. Namibia will continue to promote cooperation and trade related to Namibian gas with SADC countries. Namibia's legal framework for both downstream and upstream is under review and changes may be introduced in the licensing regime and other areas.

In view of the energy challenges faced by Namibia and our sister countries across the SADC region, today's event could not have come at a better time.

The private sector has a definite role to play, not only in introducing new technologies, or attract funding, but also to catalyse development.

For this to happen we need to create efficient, regulated and diversified market environments focused on people's needs. It is this vision of what Namibia's energy sector can and should achieve that is – in my opinion – central to

unlocking our future development potentials, and create sustainable benefits to all while also addressing Government's drive towards poverty eradication.

Ladies and gentlemen,

With these remarks I hope to have given you a glimpse into what our common energy policy future may hold.

I also hope to have inspired you to actively participate in a process that will shape this future, to the benefit of all.

I thank you for your attention.