

**4<sup>th</sup> IAHC - Inaugural Session**

**Hotel The Ashok / 21.01.2016**

**Minister's Speech**

**Her Excellency Counsellor Althea E. Sherman, Acting President & CEO of National Oil Company of Liberia (NOCAL), Liberia**

**His Excellency Dr. Salah Khebri**, Minister  
Energy, Algeria;

**His Excellency Mr. Gabriel Mbagha Obiang  
Lima**, Minister, Equatorial Guinea;

**His Excellency Mr. Ashit Kumar Gungah**,  
Minister of Industry, Commerce and  
Consumer, Mauritius;

**His Excellency Mr. Abdelkader Amara**,  
Minister, Morocco;

**His Excellency Mr. Thierno Alassane Sall,**  
Minister of Energy & Renewable Energy  
Development, Senegal;

**His Excellency Dr. Mohamed Zayed Awad  
Mousa,** Minister of Petroleum and Gas, Sudan;

**His Excellency Mr. Mongi Marzouk,**  
Minister, Tunisia;

**Shri K. D. Tripathi,** Secretary, Ministry of  
Petroleum & Natural Gas, India;

**Shri Amar Sinha**, Secretary (East), Ministry of External Affairs, India;

**Shri Sunjay Sudhir**, Joint Secretary (International Cooperation), Ministry of Petroleum & Natural Gas, India;

Excellencies, regulators and senior officials from African countries;

Distinguished guests, ladies and gentlemen;

I am indeed overwhelmed to see you all in Delhi. On this wintery morning in Delhi, your presence brings so much warmth.

Africa has always been close to our hearts. Our relations are multi-dimensional. Our civilisational linkages have been reinforced by decades of close engagement at the level of our political leadership as well as our peoples.

We are both a vibrant mix of cultures, religions and languages. Having similar populations of over a billion each, we together account for one-third of humanity. We both have young populations – with two-thirds of our populations being below thirty five years of age. We therefore, share the same dreams, the same aspirations.

My Prime Minister has a vision. He dreams of Africa and India working closely on the road to progress and prosperity. Less than three months back, Prime Minister hosted the largest and most successful ever **India-Africa Forum Summit** which saw the presence of **41 African Heads of States and Governments.**



The Summit raised India-Africa engagement to new heights. Prime Minister remarked at the Inaugural Ceremony of the Summit – “*African energy helps run the engine of the Indian economy and its resources are powering our industries.*” We are indeed grateful to Africa for that.

To set Prime Minister's vision, and our joint aspiration in motion, we are honoured to host the **4<sup>th</sup>India Africa Hydrocarbons Conference** to align and initiate further collaboration between India and Africa. This Conference will provide us with a platform to discuss specific opportunities in the hydrocarbon space.

The theme of this Conference is "**Energizing the bottom of the pyramid – Together towards tomorrow**". This draws inspiration from PM's words at the Forum Summit – *“When the sun sets, tens of thousands of homes in India and Africa become dark. We want to light up lives of our people and power their future.”*

It is very important for us to achieve inclusive growth. We need to work together to ensure a better tomorrow for our people. And we will.

Although India's engagement with Africa in the field of hydrocarbons goes back a long time, it got structured in 2007 when the first India-Africa Hydrocarbons Conference took place in Delhi. Since then, the global economy has changed significantly which has made our engagement in the field of hydrocarbons even more critical.

Over the past two decades, the African hydrocarbon sector has been expanding rapidly as also the interests of Indian oil companies in the continent.

It is clear from our crude import figures that Africa has played an important role in India's energy security.

We imported 32 Million Metric Tonnes of crude in 2014 from Africa, including 3 Million Metric Tonnes from North Africa and 29 Million Metric Tonnes from West Africa, mainly from Nigeria and Angola. This constitutes approximately 16% of our consumption. This is going to increase in the coming years.

As a matter of policy, the present Indian government is keen to move towards a **geographically diversified energy basket**. This has resulted in India's greater focus on Africa as a vital region for sourcing petroleum products in coming years.



There are several reasons for us to believe that Africa will be the perfect partner in the hydrocarbon space. India's scarcity of domestic energy resources can be offset by Africa's surplus energy reserves – which accounts for about 15% of current proved accessible global oil reserves.

Over the past two decades, the African hydrocarbon sector has seen rapid growth. The new discoveries in Africa have seen oil reserves grow by over 100% and gas reserves grow by over 55%. We believe that this will greatly improve Africa's position as an exporter of not only oil but also gas.

On the other hand, India has emerged as the fastest growing major economy in the world today with over 7% GDP growth. As per estimates by World Bank, IMF and others, this growth trend is expected to continue.

Accordingly, India's energy consumption has been constantly increasing. The Compound Annual Growth Rate (CAGR) of Indian primary energy consumption in the last 15 years has been about 7.3% as compared to a global CAGR of 3%.

To sustain our economic growth, particularly the “**Make In India**” programme, I expect energy demand to go up further. According to the International Energy Agency’s (IEA) World Energy Outlook 2015, India will contribute around 25% of the growth in global energy demand and would thus be the single largest contributor to energy growth globally.

We import nearly 78% of our crude oil & 35% of our natural gas requirements. However, while being deficient in natural hydrocarbon resources, we have built significant capacities and capabilities in products and processing of hydrocarbons.

Despite being a net importer of crude oil, India, **with 23 refineries**, has become a net exporter of petroleum products by investing in refineries designed for export. India has emerged as a **refining hub with the fourth largest refining capacity in the world** with 4.5% of world share.

Indian refineries have the highest complexity and can refine almost 180 kinds of crude. In 2014-15, India exported 63 Million Metric Tonnes of petroleum products to more than 55 countries around the world.



Apart from its strong presence in the downstream sector, India has seen sizeable development in the midstream sector. We have ambitious plans to develop a National Gas Grid and expand pipelines for petroleum products.

Indian upstream companies have been active in Africa's hydrocarbon sector. In **Mozambique, Sudan and South Sudan**, Indian companies have major presence in exploration and production segments with **total investments of nearly US\$ 7-8 billion** now. Indian companies also hold interest in key oil and gas projects in Gabon, Libya and Egypt.

We are confident that India, apart from being an attractive market for crude oil and gas, would be an able partner for African nations across the industry value chain.

One area of clear promise is the downstream sector, where our core capabilities, downstream technology, would be attractive as we have firmly established ourselves as a strong player in refining and petrochemicals.

India has travelled a long way from its first refinery in Digboi, Assam to the largest refining complex in the world at Jamnagar, Gujarat, to one of the most modern refineries in the world coming up in Paradip next month.

Indian companies are already providing comprehensive Engineering, Procurement and Construction (EPC) services to the hydrocarbon sector in Africa. Presently, they are working in Algeria, Nigeria, Libya, Sudan and Ghana to name a few.

Indian research and training institutes in hydrocarbon sector have developed state-of-the-art technologies for deployment across upstream and downstream sectors. I am confident that the potential for collaboration between India and Africa in R&D sector is immense.

As you would perhaps recall, during India Africa Forum Summit in October 2015, **Hon'ble Prime Minister had announced 50,000 scholarships for African students and research scholars.** This includes scholarships in petroleum sector specific R&D and training.



India has also offered a **concessional credit of US \$ 10 billion over next 5 years for African countries**. We have good scope to tap into this line of credit for oil and gas projects in Africa. I call upon public and private sector both in India and Africa to identify viable projects which can be financed and pursued through this line of credit.

**In conclusion,** I would only like to say that solid beginnings have already been made. We need to keep injecting new energy, fresh ideas and develop new collaborations. I firmly believe that the Conference will play a significant role in paving the way forward for India and Africa for collaborative development and creating a brighter future for our peoples.

Let me quote Prime Minister again from his address at the India Africa Forum Summit. He said – *“If this century is going to be one in which all humans have a life of opportunity, equality and dignity; stand in peace with other; and live in balance with nature, then India and Africa must rise.”*

I hope that the 4<sup>th</sup> India Africa Hydrocarbons Conference will be small, but concrete, contribution to the objective of forging a **symbiotic long term relationship.**

I conclude by saying that we all have a big responsibility towards a **Resurgent Africa and an Emerging India** '. This Conference has set the stage for all of us to accomplish this task.

I hope that in addition to having a fruitful Conference, you all have a comfortable stay in Delhi. I also thank each one of you, especially the students from Africa, for having made efforts to attend this event.

**Thank you all, Jai Hind !!!**

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