

AFRICA ENERGY INDABA TO DISCUSS KEY ISSUES FACING THE AFRICAN ENERGY SECTOR

The 10th African Energy Indaba (AEI) will take place on 20-21st February, 2018 at the Sandton Convention Centre in Johannesburg, South Africa.

The conference plenary session topics include: -

- *Africa's regional pathways: resilience and regional integration*
- *In conversation with Energy Leaders: charting the way ahead for the continent's energy sector*

AEI (2017) will explore *Africa's regional pathways: resilience and regional integration*, this discussion will provide the opportunity to elucidate on the issues pertaining to an interconnected global market. A country or continent's prosperity no longer depends just on a country/continent's productivity, but also on its strategic choice of trading partners, export products and policies.

Africa's growth in recent years has been helped by advances in trade, policies, the regulatory environment and regional integration. Economic and political changes in China and the United States will have a varied effect on Africa's trade, however to counteract these risks, the continent must carry out structural and regulatory reforms, improve policy and investment climate, deepen regional integration and maintain its commitment to reform (African Economic Outlook, 2017).

On this note, Eskom, South Africa's state-owned electricity company, produces approximately 95% of the nation's electricity and about 45% of the electricity generated on the entire continent of Africa. South Africa has managed an effective, but constrained renewable energy procurement programme with a renewable energy capacity of 2.2GW

completed to date, attracting more than US\$14bn in investment. In spite of Eskom benefitting financially and operationally from its renewables programme, the company has asserted that renewable energy is too expensive. Consequently, Enel and Engie, both international renewable investors are waiting for Eskom to sign further offtake agreements for the next round of approved projects, which total 2.4GW. Higher electricity prices and slow economic growth has culminated in 2017 with a 3.7% drop in electricity sales to the industrial sector, as well as a 5.7% slide in sales to the agricultural sector. The current situation indicates that Eskom has now more than 5GW of excess capacity, even before the two coal-fired plants, Medupi and Kusile units (4.8GW of capacity each) become operational.

Regardless of a declining electricity demand, Eskom in effect, is determining national energy policy even though solar PV and wind now significantly cheaper than new coal-fired generation in South Africa (Fin24, 8 October, 2017).

The AEI (2018) will also address the relevant issues surrounding the key growth facts pertinent to the Africa energy sector, entitled, *“In conversation with Energy Leaders: charting the way ahead for the continent’s energy sector”*

In this session, various vital issues concerning energy in Africa will be unpacked at the AEI 2018 Conference, and speakers will no doubt elucidate further on the 77% growth in Africa’s energy consumption.

According to Bob Dudley (BP’s Group Executive Officer), the global energy landscape is transforming and that conventional centres of demand are being surpassed by fast-growing emerging markets. He also states that the energy mix is constantly evolving, driven by technological improvements and environmental concerns. More than ever, the industry needs to acclimatize to meet these changing energy needs (BP Energy Outlook, 2017 Edition). It has been estimated that by 2035 Africa will account for 21% (1.8 billion) of the world’s population compared to 16% today.

The energy demand has been projected to grow by over 75% by 2035, much faster than the global average of 31%.

Despite rapid energy demand growth, energy consumption per capita in Africa remains well below the global average. Africa remains a significant energy exporter, but exports decline over time as demand growth outstrips supply.

Production of natural gas expands by 47%, partly driven by new Liquefied Natural Gas exports from East Africa. It is projected that Africa will experience the fastest energy demand growth among the world's regions– driven by urbanization, rising population, and strong GDP growth (BP Energy Outlook Country and regional insights – Africa, 2015-2035).

With a focus on dialogue and outcomes, the conference will map a path with shared knowledge and content for implementation on a regional level through the event's strategic partners, the World Energy Council, NEPAD Agency and SANEA. All outcomes are documented and then in turn implemented at a regional and local level, setting the scene for implementation and change.

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ABOUT AFRICA ENERGY INDABA

An African Energy event for Africans and by Africans

Africa is the continent of opportunity for the serious energy investor. With vast natural energy resources ranging from coal, oil, gas, hydro, solar, wind and geothermal, there is ample choice for the discerning energy entrepreneur. Lack of access to electricity means that there is an opportunity for regional governments, energy businesses, organisations and investors to unlock electricity access to millions of people who have don't have power. **The Africa Energy Indaba** is the continent's premier energy conference and exhibition: bringing together leading African and global energy players to unlock energy and business opportunities across the African continent. The Africa Energy Indaba has strategic partnerships with the World Energy Council (WEC), the South African National Energy Association (SANEA) and the NEPAD Planning & Coordinating Agency (NPCA).

For media queries, please contact: Thembisa Bambathi

Email: thembisa@energyindaba.co.za

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