

## India Seeks Greater Participation in Hydrocarbon Sector in Africa

**India said that Africa can play a major role to meet its growing demand for crude oil and gas in the years ahead. Addressing the media on the eve of 3rd India Africa Hydrocarbons Conference, the Minister of State for Petroleum and Natural Gas R P N Singh said that New Delhi seeks to expand its presence across the hydrocarbon value chain in Africa. He said with Africa's economic development picking up momentum and its energy demands increasing, India is also poised to become a dependable supplier of petroleum products to Africa. Following is the text of the speech of the Minister**

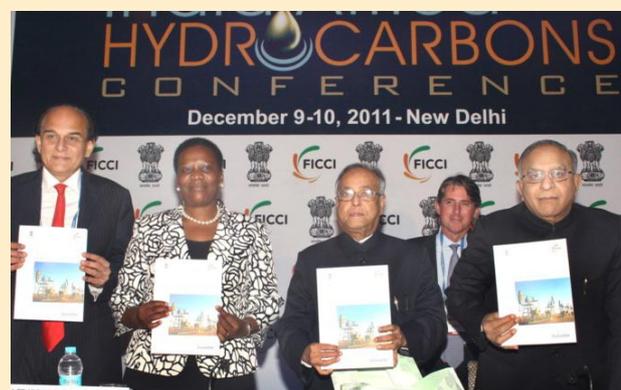
The India-Africa Hydrocarbons Conference has been conceptualised with the objective to foster bilateral trade relations in the hydrocarbon sector, understand policy and regulatory frameworks and offer opportunities for investment in upstream and downstream sector of the two regions.

India is the world's 4th largest oil importer, with oil and gas constituting 45 percent of the country's primary energy basket (oil 35 and natural gas 10 percent). About 78 percent of India's petroleum consumption is met from crude oil imports, while about 25 percent of natural gas consumption also comes from imports.

To meet this growing demand for crude oil and gas in India, Africa is expected to play a major role in the years ahead. India's refining capacity, which is 194 million tonnes per annum is set to increase to 238 million tonnes by 2013. This means an additional need of 40 million tonnes of crude per annum. The current demand for gas at 166 mmscmd is projected to go up to 443 mmscmd by 2017.

Africa's vast mineral wealth is still untapped. Africa accounts for 9.5 percent (132 billion barrels) of the world's proved oil reserves and 12 percent (478 million tons per annum) of the world's oil production. In gas, Africa accounts for 7.9 percent of the global reserves and 6.5 percent of the world's production. India is keen to participate in the exploration & production opportunities in the upstream sector of Angola, Ghana, Sudan, Algeria, Congo, Nigeria, Uganda, Cote D' Ivoire, Mozambique, Chad, Gabon, Tanzania etc. India's companies are also interested in farm-in opportunities in gas-producing blocks, especially in Libya, Algeria, Egypt and Nigeria.

Africa offers a market for India's booming petroleum exports. India exported 50 million tonnes of refined petroleum products during 2010-11 valued at about 40 US\$bn. With our refining capacity increasing further, this figure is likely to touch about 70 million tonnes by 2014, making India one of the world's major exporters



of petroleum products. With Africa's economic development picking up momentum and its energy demands increasing, India is poised to become a dependable supplier of petroleum products to Africa.

Over the last two editions, the India Africa Hydrocarbons Conference has played an important role in creating a better understanding of the capabilities of India and Africa in the field of oil & gas. It has offered immense opportunities to the stakeholders in the hydrocarbon sector to interact and discuss potential tie-ups in the form of equity investments, project management, joint venture, technology transfer, upgradation of oil & gas infrastructure facilities, development and management of technical skills and human resources, and supply of equipment and consultancy services.

So far, 16 countries have confirmed their participation in the Conference. Of these, 7 countries are being led at the Ministerial level and confirmations from another 2 are awaited (Libya and Sudan). About a dozen more countries will be represented by their Ambassadors/High Commissioners. Besides structured business sessions, there will be G2G meetings, B2B meetings and plenty of networking opportunities for the executives of the oil industries of India and Africa. 53 Indian companies have confirmed participation while more than a dozen National Oil Companies of Africa are expected to attend.

## Tata Eyes Ethiopia's Tea Sector

The Tata group plans to grow tea in Ethiopia and is working towards setting up an automobile assembly plant in Mozambique as it seeks to expand business interests in Africa.

The group, owner of the Tetley tea brand, has approached Ethiopian authorities with a proposal to venture into tea farming in the landlocked country.

Tata Africa Holdings (SA) Pty Ltd has a presence in 10 countries of the continent in sectors as varied as information technology, communications, automobiles, steel, hospitality, consumer products and chemicals. It is working towards setting up an automobile assembly plant in Mozambique. *(Livemint, 18.10.11)*



### India Looks at Africa for Petroleum

India is pinning its hopes on the above-world-average economic growth in Africa to carve out a market for finished petroleum products as it moves towards 70 million tonne of surplus in three years. India has the fifth largest refining capacity in the world. Although India imports 80 percent of its crude oil requirement, it has a surplus of finished petroleum products like petrol, diesel and jet fuel.

As per an IMF forecast, sub-Saharan Africa's GDP will grow by 5.3 percent in 2011 and 5.8 percent in 2012, while world economic growth is expected to be around four percent. Officials said that the main fuel exporters from India are Reliance Industries and Essar Oil, but state-owned refiners are making rapid progress. *(FE, 12.12.11)*

### DRDO to Engage with Africa

Defence Research and Development Organisation (DRDO), which develops technologies for the Indian armed forces, has been asked by the government to take its products meant for civilian use to Africa as part of an effort to boost India's engagement with African nations.

DRDO is participating in the India-Africa Business Partnership Summit in Hyderabad, the research organisation's first attempt to tap overseas commercial markets for its civilian applications. India has long-standing ties with many African nations, forged by its support for their independence movements. *(Livemint, 13.10.11)*

### Apollo Hospitals to Expand in Africa

Apollo Hospitals Enterprise Ltd, India's biggest healthcare chain, plans to buy hospitals in Tanzania, Botswana and Nigeria in addition to its plan to set up one in Dar es Salaam. Apollo is setting up a 500-bed hospital in Tanzania that will require an investment of US\$70mn and plans to serve patients from east and west Africa.

The hospital will have 300 beds in the first phase, and the rest will be added in the second phase. The construction of the hospital will start in 2012 and the doctors at the facility will be a mix of Indians and local hires. *(Livemint, 16.10.11)*

### Exim Bank to Issue LoC to Africa

Export-Import (Exim) Bank of India, the apex financial institution fully owned by the Government of India, will be releasing a fresh line of credit (LoC) to Africa in the next three years. At present, India's exposure to Africa, in terms of sanctioned credit line, is more than US\$3.5bn, with the outstanding being around US\$2.75bn.

Exim Bank of India's intent was to promote and provide entry to various Indian entrepreneurs to Africa, besides encouraging them to bid for projects in that continent. Besides providing LoC to the continent, Exim Bank of India was also financing Indian companies investing in Africa or those Indian companies selling in Africa through buyers' credit or through investment finance. *(BS, 13.10.11)*

### India bullish on trade with Africa

"The government asserted that the India-Africa Forum Summits have lent a contemporary dimension to the relationship and the country is ready to share its experience with Africa", External Affairs Minister SM Krishna said while addressing a conference on 'Indian Lines of Credit: An Instrument to Enhance India-Africa Partnership'.

"The African economy expanded by 4.5 percent in 2010. The Indian economy expanded by around eight percent in the same period. India and Africa together comprise a market of 2.2 billion people with a combined GDP of US\$3tn. Trade between India and Africa, which stood at US\$11.9bn in 2005-06, increased to US\$53.3bn in 2011," said the Minister. *(FE, 23.11.11)*

### India-Africa to Impart Training

India discussed the action plan with the African Union (AU) to set up over 80 training and capacity building institutions across Africa. The AU is discussing the establishment of six pan-African institutions offered by India, including a food processing cluster, an integrated textiles cluster, a centre for medium range weather forecasting, an institution of agriculture and rural development, a civil academy, and a pan-African university for life and earth sciences.

India has also offered to increase the scholarships it grants to African students to 22,000 over a three-year period until 2014. *(ET, 12.10.11)*

Sources: BS: Business Standard ET: Economic Times; FE: Financial Express