

**India Africa Hydrocarbon Conference & Exhibition  
November 6-7, 2007, New Delhi**

**Conference Review by Mr. M S Srinivasan, Secretary  
Ministry of Petroleum & Natural Gas, (MoPNG) Govt. of India**

- The First India Africa Hydrocarbon Conference & Exhibition was organized by Ministry of Petroleum & Natural Gas, Govt. of India and FICCI with support from UNCTAD. A total of 26 African countries including Ministerial delegations from 10 countries namely Chad, Comoros, Ethiopia, Malawi, Mozambique, Namibia, Mauritania, Mauritius, Sudan and Tanzania participated in the two-day deliberation. The other participating countries were Algeria, Central African Republic, Cote d' Ivoire, Democratic Republic of Congo, Egypt, Gambia, Ghana, Kenya, Libya, Morocco, Niger, Nigeria, Senegal, South Africa, Togo and Tunisia
  
- During the Inaugural Session, the complementarities between India and Africa were highlighted. It was pointed out that for India, Africa is a source of energy security and for Africa, India is a trillion dollar market, fast emerging as a global economic giant. It was also pointed out that efforts should be made towards greater cooperation between India and the African continent towards a development transmitting partnership in the field of hydrocarbons.
  - Africa is well endowed with hydrocarbons, with proven oil reserves of about 16 billion MT and about 500 TCF of gas. With a population smaller than Asia's, its per-capita Hydrocarbon resource is significantly higher, putting it in a unique position to export oil and gas to India.
  
  - India current oil consumption is about 120 million MTs making it the world's sixth largest oil consumer. With India's economy growing at more than 9% pa, it is a stable, secure and growing market for oil and natural gas from Africa.
  
  - Africa with its huge hydrocarbon resources and India with its rapidly rising demand are natural partners. India with its vast human resource, experience, technology and ability to invest capital in the field of hydrocarbons is ideally poised for an enduring business partnership with Africa.
  
  - Shri Murli Deora, Hon'ble Union Minister for Petroleum & Natural Gas stated that trade between India and Africa has grown ten fold between 1990 and 2005 i.e.

from less than US \$ 1 bn to more than US \$9 bn. The need for institutionalizing cooperation between India and Africa in the hydrocarbon sector was also stressed upon.

- In his Inaugural Address, Shri Pranab Mukherjee, Hon'ble Union Minister for External Affairs called for a proactive approach to achieve energy security through long-term cost effective and reliable contracts for oil and gas supplies. He congratulated MoPNG, FICCI and UNCTAD for the timely organization of this conference, which would facilitate in the evolution of a to evolve healthy business environment and for forging meaningful and strategic partnerships to further enhance the warm and friendly relationship between India and Africa.
- In the Special African Ministerial session on country specific overview and opportunities, each country made a brief presentation on the hydrocarbon potential, both explored and unexplored, in their countries and shared the opportunities for investments for Indian oil and gas companies. I believe there is huge hydrocarbon potential in Africa which is waiting to be tapped.
- Bilateral meetings with the visiting African dignitaries were also held on the sidelines of this two day conference.
- In the session on Capacity Building & Manpower Development, the acute shortage of technical experts, especially in E&P activities was highlighted. It was pointed out that this existed despite India producing over 200, 000 engineering graduates and 300, 000 technically trained persons each year through 350 universities, 1250 research institutions, apart from thousands of technical institutes.
  - It was further emphasized that India's rich human resource capabilities could be useful to Africa in its quest for heightened exploration activities and in consultancy, operations and maintenance of refineries and, in fact across the entire hydrocarbon value chain.
  - It may be recalled that during the Inaugural Session yesterday, the External Affairs Minister released a brochure titled "Skills Energised. Potential Maximised" prepared by PETROFED, on the training capabilities of the Oil sector PSUs giving details of courses available in both upstream and downstream hydrocarbon sectors. Those delegates who have not collected copies can do so from the PETROFED stall in the Exhibition.

- In the session on Project Financing, it was highlighted that in Africa, Oil & Gas sector constituted more than 40% of project finance for major financial institutions. This is expected to increase in the future. The share of revenues from oil and gas are likely to contribute in greater measure towards GDP, fiscal revenue and merchandise export of major oil & gas producing countries in the coming years. Out of the total African exports, oil & gas constituted about 33% of the basket. An overview of the innovative structures being used to finance African Entrepreneurs was also highlighted.
- In international trade, it is necessary to ensure that adequate documentation and legal frameworks are put in place. In this respect, India shared its regulatory practices in the Upstream and Downstream sectors, highlighting the favourable investment climate in India. This has led to considerable success in finding new oil and gas on the East Coast of India.
- Keeping in mind the direction given by the Ministers in the Inaugural session to enhance cooperation, Business to Business meetings were held in the evening session. A large number of meetings were held involving African entities such as Sonatrach, Algeria; NOC-Libya, NNPC-Nigeria; E-Gas, Egypt; Ministries of Ethiopia, Ghana, Mauritania, Namibia, Senegal, South Africa, Congo, Sudan; Ghana National Oil Company, BP Exploration (Libya )to name a few. The Indian side had participation from both the public and private sectors. Some of the Indian companies that participated in B2B meetings are IOC, ONGC, GAIL, BPCL, HPCL, Essar, Tata Chemicals, Fugro, Jindal Drilling, bodies like DGH as well as some Institutions.
- Presentation by affiliated organizations of MoP&NG and oil sector PSUs were also made for the benefit of the visiting African delegates, in particular the presentation on Technological solutions for quality assurance in petro-retailing by HPCL was of keen interest to the African delegates.
- The session on 'India-Africa Partnership opportunities- Gas sector' highlighted the immense business opportunities in the Gas Sector in India. GAIL (India) Ltd. and Reliance Industries two of the largest Gas players in the country shared their business plans in the growing gas market both in India and Africa. . It was pointed out how the lessons learnt from India could be applicable in Africa. In both India and Africa, oil exploration started from on land, moved out to shallow waters and is presently largely concentrated in deep waters. The possible areas of cooperation that were identified were deep water exploration, gas hydrates, shale gas/oil shale and software development and use of expertise available in India for exploration, pipeline laying and city gas distribution projects. It was also pointed out that Indian companies are looking for sourcing LNG and in this venture, Africa holds great promise and potential.

- The session on “India-Africa Partnership Opportunities-EPC, Services and Materials” highlighted Indian Project Execution Capabilities. Perspectives and experiences both from customers and service providers were shared. The tremendous growth in the Indian Hydrocarbon sector has been accompanied by a corresponding growth in capabilities in Consultancy and execution of projects. Indian Engineering Consultancy Companies can provide the full range of Concept to Commissioning services with over 20 million manhours available annually. Virtually the complete range of equipment, materials and construction are likewise available on a globally competitive basis. Several Indian Companies have now moved up the value chain to provide comprehensive EPC services to the hydrocarbon sector. Indian Companies are presently working in Algeria, Libya, Sudan, Ghana and several other countries in Africa. They are in a position to also help develop local Institutional capabilities in African countries, which can have a multiplier affect in the growth of their Hydrocarbon sector.