

Gas 'would power SA growth'

A gas economy could significantly drive South African economic growth, and the discovery of substantial natural gas reserves in the Karoo would be akin to finding gold and sparking a new gold rush, speakers said at the opening of the 4th annual Africa LPG Summit and Natural Gas & CNG Africa Forum in Johannesburg today.

LPG could pave the way for a gas economy, with imported LNG and indigenous SA gas exploration following, delegates heard. However, challenges such as affordability and accessibility of LPG, the regulatory environment, and a dearth of infrastructure and skills stood in the way of a rapid move to a gas economy, they said.

Opening the Summit in Kempton Park this morning, Niall Kramer, CEO of the South African Oil & Gas Alliance (SAOGA), said: "There is enormous interest in potentially exploring for oil and gas in South Africa. However, the amended Mineral and Petroleum Resources Development Act (MPRDA) is not in place yet, and investors want clarity and stability before investing in exploration. This is a critical year for South Africa – we need the amended act to be passed, and we need stability so that when the exploration licenses are awarded they are accepted, and we can start harmonising policy."

Opening session panelists said gas made up only around 3% of Africa's energy mix currently, and could easily be pushed to up to 10% of the mix, creating jobs and growing the economy. "If we do have a 'bonsella' resource such as large shale gas reserves in South Africa, we need to use it in a disciplined and strategic way," added Kramer.

Noting that LPG's place within the gas economy could be to pave the way to widespread acceptance of gas, Kramer said lessons that could be learnt from LPG included managing competition, scale, access, transport, safety, price and scalability.

Renzo E. Bee, Chairman of the Policy, Regulation & Development Advisory Group at the Global LPG Partnership (GLPGP), said much of sub-Saharan Africa was completely under-developed in terms of gas consumption. "In sub-Saharan Africa, the average is less than 3kg per capita," he said. He forecast that by 2030, however, the region could have a population of 1.4 billion, with over 470 million cylinders in circulation, 17500 marketers or distributors, 1,1 million retail outlets or shops and 420 filling plants. "But to increase penetration, there must be investment in millions of cylinders. Without this, you won't see development," he said.

Bee disagreed with the notion that LPG prices were a significant barrier to market growth, citing regional focus groups who reported that LPG was easy to use, practical, and much faster to cook with than firewood. However, focus groups in other developing countries had said that barriers to LPG were concerns about safety, poor quality cylinders and a lack of knowledge about how to cook with LPG.

Panelists said LPG was increasingly being used by consumers in Sierra Leone and Zimbabwe; but that better distribution networks would significantly increase LPG adoption. Delegates also noted that safety concerns around LPG extended beyond the distribution network to the safety of cylinders and safe domestic use of the gas.

The 4th annual Africa LPG Summit and co-located 2nd annual Natural Gas & CNG Africa Forum, are being held at Emperor's Palace in Kempton Park until 12 July. Under the theme 'Expanding Distribution in Africa' the Africa LPG Summit is focusing on LPG market development, affordability and accessibility across sub-Saharan Africa. Over 50 international exhibitors are also participating in the event.

The majority of exhibitors are international, providing a unique opportunity to engage and network with the world's leading companies and experts in the sector under one roof.

During the event, South African industry decision makers will have the opportunity to network on the exhibition floor with industry stakeholders, including representatives from the

World LPG Association, the Global LPG Partnership, the SA Oil & Gas Alliance, the Petroleum Institute of East Africa and energy sector regulators and dignitaries from Zambia, Zimbabwe, Sierra Leone, Kenya, Nigeria, India and Germany, among many more.

For the full agenda, please click [here](#). For more information, go to

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