

# Africa's \$2.6 Trillion Energy Gap Provides Opportunities

## FOR IMMEDIATE RELEASE

**Johannesburg, 18 November 2020; As per the latest report from the International Energy Agency (IEA), Africa is experiencing the fastest progression of urbanisation the world over, thereby** proving a prominent force in influencing global energy trends within the next 20 years. In addition, the continent's overall population is projected to expand by 600 million before 2040, accounting for half of the global increase over that period. These profound shifts will drive the continent's economic growth, infrastructure development and, consequently, energy demand, which is predicted to rise by 60%. **Africa Energy Outlook 2019** report states that cumulative investments of \$2.6 trillion are required between 2019 and 2040 to meet this rising energy demand and provide more accessible energy facilities to African citizens.

While this energy gap remains a major barrier to Africa's sustained economic development, it inversely presents opportunities for many African nations such as current advancements in the Liquefied Natural Gas (LNG) market; potential for realising onshore value; while simultaneously driving innovation in the raising of extensive financing for African projects, to name a few.

**IEA** findings conclude that with appropriately funded, developed and executed policies, Africa not only has potential to close the energy gap by providing millions of African people with access to electricity by 2030, but it could become the first continent to boost its economy largely through the use of modern, low-carbon energy sources. If governments underscore the need for clean energy technologies, solar PV could become Africa's principal electricity source with reference to installed capacity by 2040.

In addition, Africa's abundant supplies of natural gas enable the continent to increase industrial operations along with flexible electricity supply that complements renewables. Owing to these vast natural resources, Africa has an exceptional opportunity to pursue a considerably lower carbon strategy in comparison to its global counterparts, subsequently leapfrogging the fossil fuel sector and affording its people with clean, reliable and accessible energy, further reducing the energy gap and ultimately raising the standard of living of its residents.

Moreover, having substantial reserves of minerals, such as platinum and cobalt, required in rapidly expanding and critical clean energy technologies, Africa represents a pivotal player in the current and future global energy realm. In particular, the Democratic Republic of the Congo constitutes two-thirds of the world's cobalt production, a crucial element in batteries, while South Africa produces 70% of global platinum, used in hydrogen fuel cells. As energy transitions gain momentum, so will demand for those minerals, placing Africa in a very influential market position.

Although current governmental budgets and development funding may be inadequate to finance investments required to address the continent's rising power demands, mobilising private capital is considered a realistic alternative to implement the development of energy access.

The **Africa Energy Indaba 2020** is the summit to attend amidst all the exciting and revolutionary developments in the space that is energy. Next year's Indaba is set to focus on exploring the business opportunity to address the significant energy gap. The event will further empower African energy participants to enter a new age of innovation, technology, competitiveness and sustainability. The conference will provide a multitude of business opportunities for anyone invested and seeking to invest in the energy sector.