

# Seventh Energy and sustainable Development Summit in Africa

Dakar

1-2 December, 2008



## Structured Commodity, Trade & Project Finance

*WORKING FOR YOUR SUCCESS*



# THE AFRICAN PARADOX



## Africa: rich in Oil



### Crude Oil, Condensate and LPG Productions (in million tons)

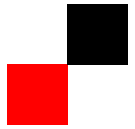
Year		2005	2006	2007
AFRICAN COUNTRIES		467.6	473.9	489.4
among which:	Algeria	86.4	86.2	86.1
	Egypt	33.9	33.7	34.1
	Libya	82.1	85.6	86
	Nigeria	125.4	120	114.2

## Refinery Capacity (in million tons)

Years	2005	2006	2007
AFRICAN COUNTRIES	161.5	160.6	163.9
Among which South Africa	25.2	24.4	24.3
Algeria	22.5	22.5	22.5
Egypt	36.3	36.3	36.3





## Petroleum Product's Consumption (in million tons)

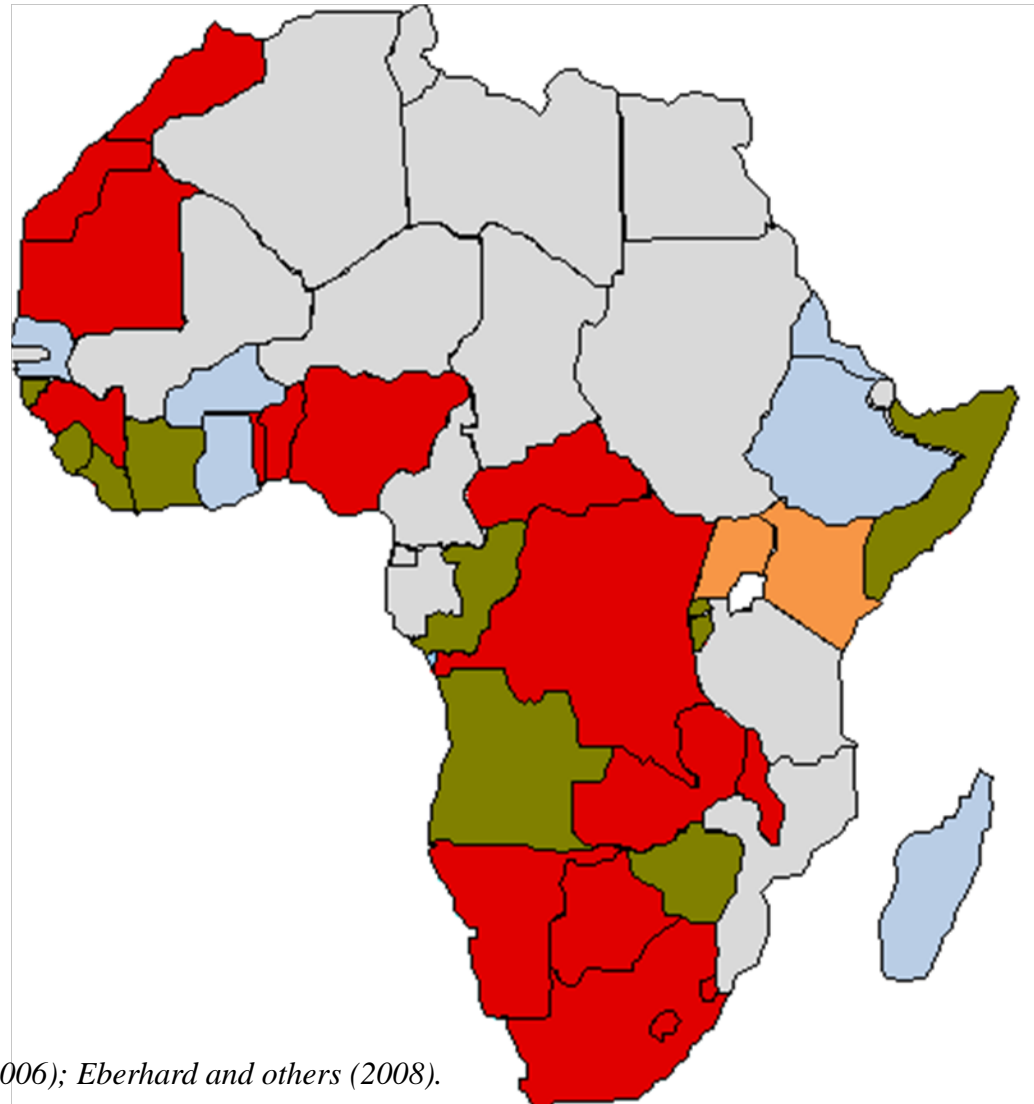
Years	2005	2006	2007
AFRICAN COUNTRIES	129.9	132.1	138.2
Among which: South Africa	24.8	25.3	25.8
Algeria	11	11.5	12
Egypt	29.8	28.7	30.6



# However some countries cannot have access to it

**Countries Vulnerable to Energy Shortages:**

-  **Conflict / Post-conflict**
-  **Natural causes**
-  **Oil price shock**
-  **High growth/ low investment / structural issue**



*Source: Briceno-Garmendia (2006); Eberhard and others (2008).*



# There is a huge growth potential for African countries

Projected Economic Growth by 2050					
	2007-2010	2010-2020	2020-2030	2030-2040	2040-2050
Angola	4.80%	4.90%	5.60%	6.40%	6.20%
Congo	3.50%	3.90%	5.20%	6.70%	7.00%
Ethiopia	5.00%	5.10%	6.00%	7.50%	7.30%
Gabon	5.80%	5.20%	4.60%	4.10%	3.60%
Kenya	5.00%	5.40%	6.30%	6.90%	6.60%
Nigeria	5.80%	5.80%	6.10%	6.50%	6.00%
Senegal	6.50%	6.60%	6.80%	6.70%	6.20%
Sudan	5.20%	5.10%	5.40%	6.10%	5.80%
Tanzania	5.60%	5.90%	6.10%	6.30%	5.80%
Uganda	6.10%	6.30%	7.40%	8.40%	8.00%
Zambia	5.20%	5.50%	6.10%	6.90%	6.60%
Zimbabwe	3.20%	3.00%	4.00%	5.50%	5.50%
Average	5.40%	5.50%	6.00%	6.50%	6.20%

# An increasing number of countries now have sovereign credit ratings

	S&P Rating	Moody's Rating	Fitch Rating
Benin	B		B
Botswana	A	Aa3	
Burkina Faso	B		
Cameroon	B		B
Gabon	BB-		BB-
Ghana	B+		B+
Kenya	B+		B+
Lesotho			BB-
Mali	B		B-
Mauritius	Baa1		
Mozambique	B+		B
Namibia			BBB-
Nigeria	BB-		BB-
Senegal	B+		
Seychelles	B		
Uganda			B



## However they still be dependant on commodity prices...

	Consumption (bbl/day)	Total Oil Production
Nigeria	312,000	2,352,380
Angola	62,000	7,768,660
Senegal	37,000	0
Ivory Coast	25,000	53,770
Morocco	180,000	3,750
Gabon	13,000	243,940
Cameroon	25,000	83,190



## ... And on their volatility

Actually, the barrel price, after having reached US\$ 147 lost 66% in 5 months and went further down than what we might have thought...

The price movements are very volatile.

However EIA's Economist forecast a continuous growth of oil price reaching US\$ 100 between 2008 and 2015 and more than US\$ 200 by 2030.



# Lack of infrastructures slows down growth

Country	Population (mn)	Installed Electricity	
		Capacity (MW)	kW/pop
Angola	16.10	830.00	0.05
Congo	58.74	2,443.00	0.04
Gabon	1.29	414.00	0.32
Ghana	22.54	1,490.00	0.07
Ethiopia	75.17	755.00	0.01
Kenya	35.60	1,211.00	0.03
Mozambique	20.53	2,340.00	0.11
Nigeria	141.36	5,898.00	0.04
Senegal	11.77	300.00	0.03
Sudan	36.90	801.00	0.02
Tanzania	38.48	881.00	0.02
Uganda	28.95	321.00	0.01
Zambia	11.48	1,778.00	0.15
Zimbabwe	13.12	2,099.00	0.16
South Africa	46.89	40,481.00	0.86
France	60.87	112,719.00	1.85
United Kingdom	60.23	78,097.00	1.30
United States	296.51	956,673.00	3.23

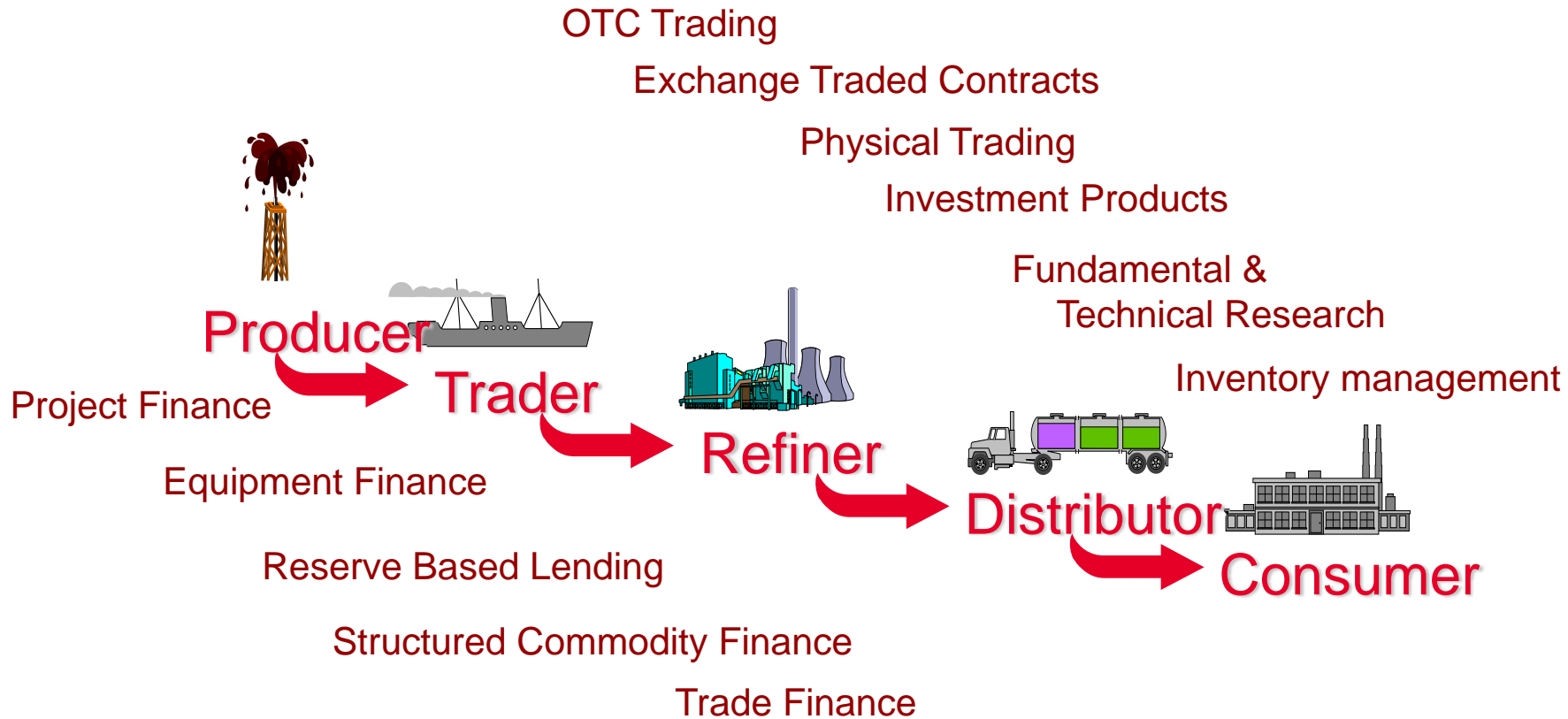
As the number of potential new urban residents keeps increasing (around of 500 million), the demand for infrastructure is going to rise as well. To meet this demand, the infrastructure investment needed in Sub Saharian countries would be about US\$1 Trillion until 2050.



# The Role of a Commercial Bank



# To finance commodity cycle and infrastructures





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