

SUB-SAHARAN AFRICA

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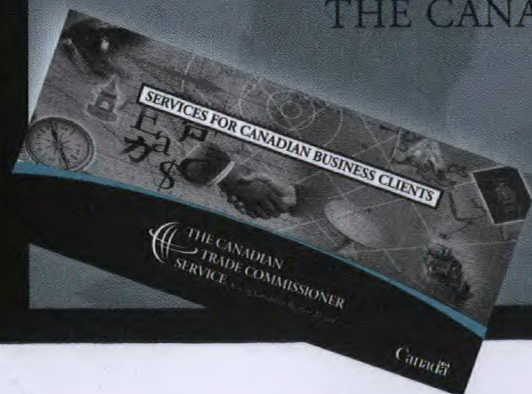
Canadian companies are tapping into the booming energy sector in Sub-Saharan Africa. Export Development Canada and international financial institutions, such as the World Bank, continue to support worthy oil and gas projects. Most important, many African governments have identified the expansion of electrical capacity and oil and gas production as strategic priorities, creating significant opportunities for Canadian firms.

Trade staff at our embassies abroad report that the potential is particularly high in South Africa, Nigeria, and Mozambique. Good prospects also exist in Angola, Cameroon, Côte d'Ivoire, Democratic Republic of Congo, Kenya, Senegal, Tanzania, Uganda and Zambia.

See insert for your Electric Power and Oil and Gas Industries contacts in Sub-Saharan Africa.

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The Electric Power and Upstream Oil and Gas Sectors



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Market Overview

In Sub-Saharan Africa, the development and distribution of energy resources have historically been held by state-owned companies. However, privatization is underway, with a greater receptivity toward private-sector operators. Foreign and domestic companies are increasing their presence in the energy sector through joint-ventures and production sharing agreements.

The continent is constrained by low connection rates and recurring electricity shortages for industries and consumers already connected. However, many national authorities realize how critical electrification is for the development of their economies. This has led to a wide range of government initiatives aimed at expanding the electrical power generating capacity, transmission and distribution infrastructure in the region.

The government of Nigeria offers one such example, having earmarked \$460 million of its 2001 budget for a power development program. This project entails the refurbishing of existing generating plants and the building of new thermal generated power plants.

In Mozambique, a major expansion of capacity is underway with the building of the Mepanda Uncana hydro station (2500 MW), the Moatize thermal plant (1000 MW) and the Cahora Bassa northern expansion (550 MW). The building of a natural gas pipeline to South Africa as well as the development of energy from sea breezes and solar power are also being considered.

Oil and gas activity in the region has been tremendously reinvigorated in response to recent rises in the price of oil. Exploration and development are occurring onshore and increasingly offshore throughout Sub-Saharan Africa. Public incentives for production and use of natural gas are increasing and various pipelines are planned.

Opportunities

The demand for Canadian expertise in the Sub-Saharan power market is evident. Besides opportunities in oil and gas exploration, construction of new transmission and distribution

lines is seen as another growth area. Opportunities in the power sector also stem from projects related to the extension of national or transnational electricity grids linking various regions or countries.

See Potential?

To learn more about the opportunities and market entry strategies in Sub-Saharan Africa, we invite you to read the new study: *Business Opportunities in the Sub-Saharan Africa Electric Power and Upstream Oil and Gas Sectors*, available on line at the Trade Commissioner Service Web site,

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