

## North Africa Primed for Upstream and Downstream Growth

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*The North African Hydrocarbon industry is on the cusp of significant growth in both upstream and downstream capital expenditure; with these two markets set to grow by \$20.1 and \$22.2 billion respectively over the 2007-2011 period*

With today's release of the "The North Africa Oil & Gas Report 2007-2011", "<http://www.bharatbook.com/bookdetail.asp?bookid=53011>" Thom Payne, an energy analyst with business consultants Douglas-Westwood announced that "Europe's appetite for hydrocarbons will drive exploration and refining in the neighbouring, energy-rich North African states. LNG and petrochemical refining in particular will see over \$20 billion invested in them over the 2007-2011 period compared to the \$6.5 billion spent in the past five years.

"The upstream industry will also see growth in the coming years, highlighted by the return of BP to Libya in a major exploration deal earlier this year, following the dropping of international sanctions against the North African state. The opening up of this vast country will see expenditure on seismic acquisition in Libya double over the forecast period."

The report focuses on both the established North African producers of Algeria, Libya and Egypt as well as examining the potential for Tunisia, Morocco and Mauritania. Attention is given to oil & gas production figures, well numbers and market forecasts as well as looking at more substantive, background issues such as domestic energy policies and the role of international oil companies.

Traditionally, North African production has focussed on onshore production from prolific natural gas producer Algeria and, fellow member of OPEC, Libya. However, advances in technology have opened up opportunities in other areas, most noticeably offshore Egypt where natural gas fields in the Nile Delta are driving growth in the North African subsea industry. In recent years, Mauritania too has benefited from technological advances marking the development of the deepwater Chinguetti field, as the nation's first steps towards a promising offshore future.

In order to support this growing businesses, extensive infrastructure will be required and Douglas-Westwood expect capital expenditure in the North African midstream industry to be worth over \$5.2 billion in 2010, twice the value of current levels. This growth will not only be driven by increased offshore production, but also by the development of major trunk lines crossing the Mediterranean, delivering Algerian gas to the economies of Italy and Spain.

As long as energy demand in Western Europe continues to increase, the oil & gas industry will continue to look to North Africa and its ample reserves of both conventional oil and natural gas. New technologies have opened up further opportunities particularly in the field of LNG which has effectively opened up the massive gas markets of North America and East Asia and we would expect to see significant increases in exports to these regions from current suppliers Algeria and Egypt over the coming years.

For more information kindly visit: <http://www.bharatbook.com/bookdetail.asp?bookid=53011>

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