

WORLD ENERGY OUTLOOK 2014 FACTSHEET

Africa energy outlook

- ▶ **Despite a rapidly growing economy, sub-Saharan Africa accounts for 13% of the global population but only 4% of global energy demand.** Bioenergy, mostly fuelwood and charcoal, accounts for more than 60% of energy demand, coal makes up 18%, followed by oil (15%) and natural gas (4%). Modern renewables account for less than 2% but are growing quickly. On-grid power generation capacity was 90 GW in 2012, with around half of this being in South Africa.
- ▶ **Sub-Saharan Africa is rich in energy resources.** Huge renewable resources remain untapped: excellent solar across all of Africa, hydro in many countries, wind mainly in coastal areas and geothermal in the East African Rift Valley. In the last five years, nearly 30% of world oil and gas discoveries were made in sub-Saharan Africa, but the challenge to turn these discoveries into production and the resulting revenue into public benefits is formidable.
- ▶ **Access to modern energy services remains very limited.** Despite many positive efforts, more than 620 million people (two-thirds of the population) in sub-Saharan Africa are without access to electricity. Those who have access to electricity often face very high prices for a supply that is insufficient and unreliable. Nearly 730 million rely on the traditional use of solid biomass for cooking. Each year nearly 600 000 premature deaths in Africa can be attributed to household air pollution resulting from the traditional use of solid biomass.
- ▶ **The sub-Saharan energy system expands rapidly to 2040, but so do the demands placed upon it.** The economy quadruples in size, the population nearly doubles (to almost 1.8 billion) and energy demand grows by around 80% in the New Policies Scenario. The sub-Saharan power system evolves quickly, with generation capacity quadrupling to 385 GW. Almost half of the growth in electricity generation to 2040 comes from renewables.
- ▶ **Some 950 million people gain access to electricity in sub-Saharan Africa by 2040, but 530 million people remain without it at that time.** Urban areas see the largest improvement in the coverage and reliability of centralised electricity supply. Mini-grid and off-grid systems provide electricity to 70% of those gaining access in rural areas. The share of bioenergy in the energy mix declines to below half by 2040, but 650 million people still cook with solid biomass in an inefficient, hazardous way.
- ▶ **Oil production exceeds 6 million barrels per day (mb/d) in 2020 before falling back to 5.3 mb/d in 2040, and continues to be led by Nigeria and Angola.** Demand for oil products doubles to 4 mb/d in 2040, squeezing the region's net contribution to the global oil balance. Gas output reaches 230 billion cubic metres (bcm), led by Nigeria, and increasing output from Mozambique, Tanzania and Angola. LNG exports triple to around 95 bcm. Coal supply grows by 50%, and continues to be focused on South Africa, but it is joined increasingly by Mozambique and others.
- ▶ **The New Policies Scenario sets a demanding agenda for Africa's policy makers, but does not come close to meeting the full potential of energy to act as an engine for prosperity.** Power supply remains unreliable, energy consumption per capita remains very low and a huge population remains without modern energy. While only making a small contribution to global energy-related CO₂ emissions, sub-Saharan Africa is on the front line when it comes to the potential impacts of a changing climate.
- ▶ **In an "African Century Case", three actions boost the sub-Saharan economy by a further 30%, and deliver an extra decade's worth of growth in per-capita incomes by 2040.** These actions are:
 - **Upgrading the power sector**, reducing power outages by half and achieving universal electricity access in urban areas.
 - **Deeper regional co-operation and integration**, facilitating new large-scale generation and transmission projects and enabling a further expansion in cross-border trade.
 - **Better management of energy resources and revenues**, adopting robust and transparent processes that allow for more effective use of oil and gas revenues.