



**Namibia**

Oil and Gas Conference

# Meeting the Economic Challenges of Oil and Gas: Forewarned is Forearmed

# Preliminary Remarks

- Independent freelance economist
- Founding Director of Windhoek-based IPPR in 2000 and author of “Guide to the Namibian Economy”
- Focus here on economic not technical or engineering challenges
- Pose key questions not provide answers
- Based on IPPR QER Q2 2022 African Oil and Gas Experiences: Forewarned is Forearmed (Angola, Equatorial Guinea, Gabon, Ghana, Mozambique, Nigeria, Uganda)
- Oil is not necessarily an unambiguous benefit – depends on how it is managed

# The Ten Key Economic Challenges

1. **Energy Transition** - How does Namibia fast-track the development of an oil industry as the door closes on new fossil fuel projects and maximise benefits to the country?
2. **Oil Revenues** - Perhaps THE main benefit to the country is tax revenue – does Namibia’s petroleum taxation regime provide Government with sufficient revenue and investor with sufficient return across the price cycle?
3. **Conflict of Interest and Regulatory Capture** - How does Government balance the interests of being both regulator and shareholder?
4. **Wider Economic Benefits** - What can Namibia do to maximise additional economic benefits through encouraging the use of local content and employment of Namibians?
5. **On-shore Developments** - Should Namibia seek to “add value” through on-shore oil storage and refining and other industries?

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6. **Public Expenditure** - How should Namibia seek to use the additional revenues from oil and gas to promote economic development? Sovereign Wealth Fund? Spend or save? Public sector? Infrastructure? Renewable energy? Green hydrogen? Cash transfers? Climate adaptation?
7. **Currency Arrangement** - What currency arrangement will help minimise the potential damage of undue currency appreciation and “Dutch disease”?
8. **Protecting Non-Oil Export Sectors** - What policy measures can help reduce the dangers of oil and gas dependency and promote export diversification?
9. **OPEC and OPEC +** - Does it make sense to join OPEC and coordinate oil production with other countries?
10. **Good Governance** - How important is good governance and does it make sense to join EITI?



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