



The Natural Gas Policy

Does it address the needs of citizens?

Policy Forum 24 Jan 2013

Malcolm Taylor
Gas Infrastructure Manager



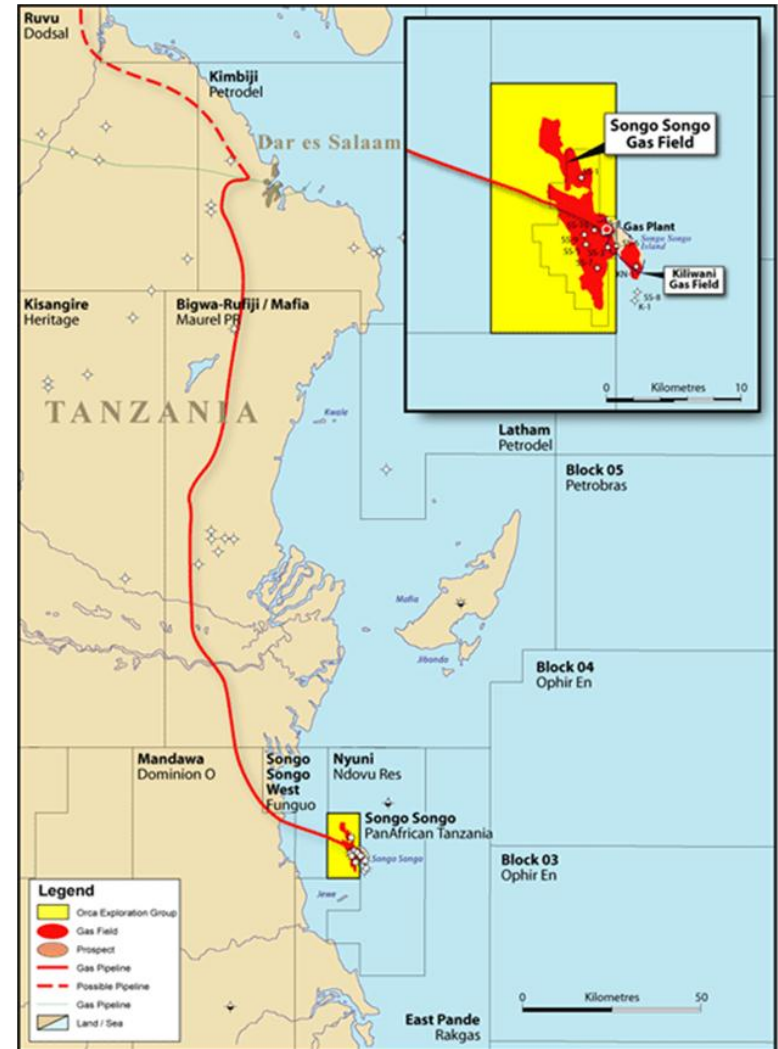
Ubungo Power Plant is certified to:





Songas Project – 8 years record of achievement

- Supplies around 1/3 of the country's power from UPP
- Cheapest thermal power in the country <\$0.06/kWh
- Provides gas for around half of the country's useable power capacity
- Savings to Tanzania >USD 2.0 billion
- Two Investments so far
 - 2004 original investment
 - 2005 further generating capacity





How should the Policy address the citizens' needs?

- Facilitate informed democratic debate
 - Timing and process of consultation
 - Realistic timescales for development
 - Scope of benefits

- Address Strategic Opportunities and Issues
 - Timescales
 - Medium term 5-10 years
 - Longer Term >10 years

 - Scope
 - Onshore/Shallow gas versus Deep water gas
 - New participants/ existing participants



What should the Policy address?

- Where will investment come from and what does it need?
 - Inward investment of \$10's of billions
- Regulatory Structure
 - TPDC's many conflicting roles
- Market Structure
 - Gas Aggregator
- Government prescribes versus encourages
 - Natural gas pricing
 - Common gas processing/LNG plant
 - Balance between domestic use and export
 - What about existing players?



What should the policy be delivering next?

- Establishing local competence
 - Policy, regulatory, commercial
 - Technical – local content by choice, not prescription
- How will the Natural Gas Fund be managed?
 - Structure
 - Transparency,
 - Answerable to whom?
- Avoiding the '*Resource Curse*' & '*Dutch Disease*'
- This is the time for policy debate and there is time for informed debate



THANK YOU