

New report focuses on challenges in Africa's energy sector

The newly released [*African Energy Outlook 2021*](#) explores the forces shaping the continent's energy market after the historic shocks of 2020, and analyses the upcoming recovery on the back of the global energy transition and persisting market uncertainties.



Nj Ayuk, executive chairman, African Energy Chamber

The pandemic came at a particularly difficult moment in Africa, exacerbating already challenging market conditions on the back of a competitive American shale industry, the delaying of major projects due to regulatory uncertainty, and increasing global attention to decarbonisation. The African Energy Chamber notably expects a capex spending cut of \$30bn over the 2020-2021 period, and has identified a further \$80bn of investment where sanctioning will depend on improving market conditions, along with bold policy and fiscal reforms from African regulators.

The report provides detailed information in areas of critical importance, and includes sections examining jobs and employment, cash-flow and profit forecasts, the expenditure and investment outlook, carbon emissions, oil and gas market projections, and regional production outlook. Pressing issues including notably the OPEC's production cuts, ongoing regulatory reforms, the impact of the Covid-19 by region and country, and offshore drilling demand across multiple continental shelves are analysed in detail.

"It goes without saying that Africa has witnessed its fair share of difficult times this year. Even though oil and gas activities have taken a hit, optimism surrounding African projects, fiscal regime and investments still exist but requires all of us as stakeholders to do more. There has always been opportunity in drastic and unprecedented times, which gives us a lot to look forward to," says Nj Ayuk, executive chairman, African Energy Chamber.

The study is the result of strong regional and international cooperation between actors of government, and public and private sector stakeholders across sub-Saharan Africa. It gathers the latest available data on sub-Saharan Africa's hydrocarbons markets, and benefits from the insights of key local, regional and international companies, experts and economists, making it the most comprehensive resource to date on the future of African energy markets.

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