



The SNPC office in Brazzaville.



Port at Pointe Noire: One of the exit points for Congo's oil and gas exports.

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SNPC plans more exploration campaigns

Congo's state energy company seeks partners in expansion, diversification drive

Congo's industrial production grew by some 12 percent last year. For a country preparing for exponential growth across the board, and looking to become ever more competitive on a regional and global level, it is the energy sector that offers the largest opportunities — and the greatest need — for investment.

Partners are certainly needed to help grow the oil and gas sector, and there are also opportunities in terms of building the energy infrastructure that will help connect industries, homes and public structures to an affordable and reliable electricity supply.

Oil has taken over forestry as the driver of the Congolese economy, providing a major share of government revenues and exports.

In the early 1980s, the exponential growth in oil revenues allowed the government to finance large-scale development projects with GDP growth averaging 5 percent per year, one of the highest rates in Africa.

Nowadays, with average growth at 9 percent, the government is concerned with stimulating recovery

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DIRECTOR-GENERAL
SNPC

and reducing poverty. A drop in oil prices during the global crisis reduced oil revenue by around 30 percent, but a subsequent recovery of oil prices has boosted the economy's GDP and medium-term prospects.

The black stuff accounts for 70 percent of Congo's GDP and most of the country's exports — it sends



Jérôme Koko, director-general, SNPC

out the equivalent of 211,800 barrels/day and consumes the rest.

President N'Guesso is keen to harness this wealth to grow and diversify the economy and make Congo self-sufficient in energy.

The fifth-largest oil producer in sub-Saharan Africa, Congo produced an average of 302,200 barrels of oil per day in 2010, an increase of 8.1 percent from its 2009 yield. In 2011, production grew by a further 7.4 percent.

According to the 2011 BP Statistical Energy Survey, the country had proven reserves of 1.94 billion barrels at the end of 2010, equivalent to 18.2 years at current production rates, and 0.14 percent of the world's reserves. It also has the fourth-largest proven natural gas reserves in sub-Saharan Africa.

Latest industry figures from African Economic Outlook — an organization which combines the expertise of the African Development Bank, the OECD Development Center, the United Nations Economic Commission for Africa, the United Nations Development Program and a network of African think tanks and research centers — predict the country will supply 2.57 percent of the oil the region by 2015.

Although dwarfed by Nigeria and Angola in production terms, there is no doubt oil will be driving Congo's

medium-term growth.

In recent years, China has become Congo's biggest customer, importing huge amounts of its Djéno Blend quality crude a year. There are a host of exploration companies, including Italy's national oil group ENI, making inroads into the tar sands of the Tchikatanga and Tchikatanga-Makola areas situated 70 km from the deep seaport city of Pointe Noire in the search for more.

On the home front, things have been moving more slowly.

The state-owned Congolaise de Raffinage, also known as Coraf, refinery, which produces the lighter Nkossa oil, recorded a drop in production of 16.4 percent, due to the low impact of crude oil prices on a global scale to prices at the pump.

Sales rose by 6.5 percent last year, however, and Coraf is expected to extend its coverage on the domestic market where it currently meets 70 percent of demand.

Universal access

In an industrialized world that is placing ever greater demands on the remaining oil and gas products, and where prices continue to rise, Congo's energy officials are in no doubt that greater accessibility to energy resources will generate more political and strategic competition for the country.

The energy sector will bring growth and reduce poverty and for this reason the government is working hard to develop its domestic market.

Created in 1998, state oil company Société Nationale des Pétroles du Congo was tasked with managing the state's assets within the oil sector and the commercialization of Congo's crude.

It has since grown to become an oil company in its own right, due to its participation in exploration and production projects.

Jérôme Koko, director-general of the SNPC, explained the company's

priorities for 2012.

“Since 1998, we have achieved many things. In terms of the commercialization of crude oil, our expertise has improved enormously,” he said.

“Our main challenges now are to have better control of the exploration and exploitation operations, to implement new management tools and to set up a true corporate culture through competence and performance and team spirit.

“In the short and medium, we are

from experts within the industry, and secondly, there is the sharing of financial risks.

“We currently produce about 30,000 barrels per month and most of this is made through these partnerships. We collaborate with Chinese companies for oil trading, the upstream oil sector (crude oil) and real estate.

“On the exploration and production side, we have a partnership with the China National Offshore Oil Corporation for an open sea permit,

ously. “We created a special Hygiene Safety Environment Division, which works specifically to prevent any human and environmental risks that the country could directly or indirectly encounter,” he said.

“One of our main objectives is to set up a proper corporate culture through competence and performance. We need to train our employees properly, as they will be



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DIRECTOR-GENERAL, SOCIÉTÉ NATIONALE DES PÉTROLES DU CONGO (SNPC)

looking at making the exploitation and development of the Kundji field effective. We are also planning an exploration campaign for the Mengo and Mayomb permits.

“Downstream, in order to revitalize our distribution network, we are aiming to move the finished oil products closer to the Congolese consumers wherever they are on the national territory.”

Congo's strategic location at the heart of Africa makes it attractive to many offshore territories, and the SNPC is making every effort to capitalize on these opportunities.

“We are looking at the lubricants segment, gas distribution and an asphalt project, in order to expand our business,” he said. “SNPC is a young company and the petroleum industry is a very specific sector. Our partnerships with the international companies based here are very helpful to us.”

Developing partnerships

The SNPC has developed a number of partnerships with both public and private companies, not only to help it develop its own activities, but also to help it develop the oil sector itself.

As Koko explained: “The partnerships have two main benefits for us: first there is the transfer of knowledge that the SNPC can get

which is currently at the exploration stage. We are working with the Hong Kong-based Wing Wah Oil Company with regards to the Kayo field.

“Furthermore, a Chinese company built our new headquarters in Brazzaville, and two of our office buildings in Pointe Noire.”

Koko is mindful of the need for the sector's sustainable development for future security.

“We are a public company with specific aims. We know diversifying the economy is an important project for the Congolese government and can see the need for the participation of the public authorities into the development of the agricultural sector with the creation of agricultural villages. The government has empowered the industrialization of the agricultural sector, which is a major step forward.

“The president's vision is concerned with preparation of the “after-petroleum” period and in accordance with the eagerness of diversifying the economy. The SNPC, being an economic tool of the government, is naturally in harmony with the government's policy.”

Safety and training are key

The energy chief is keen to demonstrate that security and environmental issues are taken very seri-

ously.

“With that in mind, we have increased our training budget for 2012 and beyond, and recently opened a training center in Pointe Noire where we launched our first round of operator training.”

The company has also created the SNPC Foundation, which aims to carry out works of general and public interest in the following critical areas:

Health: through the financing or the participation in the financing of public health operations: rehabilitation of the health infrastructure, endowment in materials and medicines in favor of care centers, a prevention campaign against diseases, and medical research.

Education: through the rehabilitation of infrastructure and investment in equipment and stationery, as well as scholarships.

Culture: within the framework of the promotion of sociocultural and sports activities.

Poverty reduction: through the improvement of the living conditions of the population by the participation in humanitarian aids.

Entrepreneurship: through the support of the creation in the development of economic micro-projects and vocational training.

InFocus provided the story

Full steam ahead for Congo's premier trade connection

Handling 90 percent of foreign trade, Port of Pointe Noire is a vital part of Congo's economy

With a history that dates back to 1939, the autonomous deepwater Port of Pointe Noire is a vital part of Congo's economy, with more than 90 percent of the country's foreign trade passing through it.

Situated 150 kilometers from the mouth of the River Congo in a natural harbour off the Gulf of Guinea, the port is currently undergoing a full renovation of its infrastructure at a cost of a \$1 billion, as part of the government's priority investment program. Funding has been secured from the French Development Agency, the European Investment Bank, and the Development

Bank of Central African States. The French group Bolloré pledged to invest 570 million euros (\$722 million) over 27 years from 2009 becoming the concessionaire of the Congo container terminal.

The funding has been committed so that the port can become the benchmark deepwater port for Central Africa, acting both as a major transshipment hub, and as the main port for import and export traffic along the Congo Basin.

It will also open up the principal corridors of the sub region, serving the Democratic Republic of Congo, the Republic of Central Africa and

the north of Angola. Organized into three sites, Pointe Noire's docking infrastructure consists of a commercial port, with among others, the Dock G of 15 meters depth and that should spread on 800 m long at the end of 2013. This dock will be able to host the biggest ship in the world. The docks can handle traffic of up to 6.8 million tons a year in parallel of the Djéno Oil Port, for crude oil loading.

It also boasts open storage capacity of 66 hectares for the commercial port, among which 22 hectares are dedicated to containers. This capacity should rise to 32 hectares

in two years. There is also a cement silo, a wheat silo, wine facilities, storage tanks for hydrocarbons and related products and storage tanks for vegetable oil. As well as piloting and towage, the port offers ship maintenance services.

Private and public partners continue to invest modernization and expansion projects.

The port management is eager for Congo to become a platform for moving goods around the region.

In 2011, they welcomed 450,000 containers, they expect 500,000 in 2012 and the objective for 2020 is to receive 1 million containers that will use the road and train network to reach countries like Gabon, Cameroon, DRC, Angola and the Republic of Central Africa.

At the moment, the port has 350 employees, and a further 6,000

working in port-related activities. With the traffic expected to double over the next few years, these numbers will grow.

The aim is to participate in the creation of a dispatching port within the region.

Ideally, huge ships from all over the world will arrive in Pointe Noire and the containers will be loaded onto smaller ships to supply other ports, such as Douala or Libreville, ports that don't have the same infrastructural capacity. We are working very hard to make the port more competitive and efficient,” claims the administration.

High Security Measures

The port takes security extremely seriously and works with its partners to improve security measures. Since 2009, the Conseil Congolais

des Convoyeurs has implemented the GUMAR: a single maritime counter. The GUMAR system simplifies the administrative process and allows officials to identify goods passing through the port quickly and efficiently, thanks to a sophisticated scanning device.

The computerized system presents many excellent advantages, both for the users and the government: the transit in Pointe Noire becomes more attractive because it takes less time to check goods, costs are lower and there is much less chance of theft.

The system promotes and secures the customs takings, to lay the foundation of e-business and to lift the physical and non-physical barriers to the promotion of trade.

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