

Summary from February 9th meeting between ARA and World Bank

Washington D.C.

Presentation to 5GPM
February 15th, 2007
Quito

Who are the ARA?



- Association of African refiners
 - 50 refineries built in Africa over last 50 years
 - 39 currently operating -12 closed in past 40 years
 - 17 countries with refineries
 - 12 of those have only one refinery
 - Total capacity: 1.4 MM b/d (70MM MT/d)
 - Secondary capacity only 20% of total capacity
 - Proactive: proposed AFRI standards for Gasoline and Diesel (takes account of PCFV aspiration)
 - Member of the PCFV

Who are the ARA?



- Almost all African refineries are majority share government (state) owned
- Technology and 'housekeeping' provided by foreign experts – usually multinationals with a minority share
- Association of African refiners have committed to meeting the AFRI spec targets
- Meeting the higher levels will require investment and agreements on trade between countries to attract that investment
- Have turned to World Bank for assistance

- WB has proposed a study of SSA refining.
- Hypothesis is that there will be regional trends to consolidate refineries
- Benefits expected are:
 - Improvement in product quality --> air quality
 - Increased regional trade/integration from harmonisation
 - Economic benefits from rationalisation/shutdowns

WB/ARA Study - ARA Position



- ARA will not support a study designed to close refineries
- ARA proposes to split the study into two parts:
- Supply/demand balances and refinery evolution
 - Look at auto fleet/taxation (Nigeria a model?)
 - New refineries (ME, North Africa, Europe)
 - Divide into 3 regions
- Health
 - Study air quality in 2/3 cities - measure health impact
 - Establish priorities to tackle problems

WB/ARA Study - joint approach



- Create a "Consultative Committee"
 - WB
 - ARA
 - Government sector authorities or regulatory institutions
 - IPIECA
 - UNEP-PCFV
- Retain specialist consultants for each part of the study
- ARA will be the focal point for the refiners
- ARA will arrange to provide data required from its members