

Valedictory Address by Dr. Shashi Tharoor, Minister of State for External Affairs at the 2nd India-Africa Hydrocarbon Conference New Delhi: 8 December 2009

- ❖ Ministers and friends from Africa
- ❖ Dr. Amit Mitra, Secretary General, FICCI
- ❖ Shri S. Sundareshan, Additional Secretary, Ministry of Petroleum & Natural Gas
- ❖ Excellencies,
- ❖ Distinguished Guests,
- ❖ Members of the Media and
- ❖ Ladies and Gentlemen

It is my pleasure and privilege to deliver the Valedictory Address at the conclusion of the second edition of the India-Africa Hydrocarbon Conference.

2. History, Ladies and Gentlemen, it has been said, is subject to Geology. The bounty of mother earth - in the form of its soil, water, metals and energy resources - has shaped civilizations depending on how these resources were owned and used. Our demand for and appropriation of these vital and finite inputs has, however, always had an unpredictable strategic impact, which has often increased the divide between nations or even redrawn the shape of countries on the map.
3. This hunger for natural resources and its behavioral consequences, I am happy to note, has never cast a shadow on India-Africa relations. We have stood for and we have stood with Africa, driven by a primordial and abiding commitment. Our links are civilizational yet contemporary. Indeed, one of the grandest narratives of the anti-colonial movement has been of the brotherly solidarity between India and Africa. The colonial days of extraneous and overt political domination are behind us. The calling now is for nation-building, economic growth, development and welfare.
4. However cordial and close state-to-state relations, they are painted with a broad brush; the gaps and finer touches have to be filled in by civil society and increasingly by economic interests. Agents of business and commerce play a particularly indispensable role in this process. I am pleased that this gathering brought together government leaders, policy

makers, entrepreneurs, corporate leaders and professionals from India and Africa on a common platform to further advance their cooperation in the energy sector. At this juncture of economic globalization, the role of the private sector and industry becomes more important than ever.

5. Yet, the forces of globalization cut both ways. After years of continuous and rapid growth, the global economy hit a speed breaker and lost momentum. Similarly, just over a year ago, when crude oil prices, the main reference driver for other energy sources, touched record highs of US\$ 147 a barrel, energy security was a worldwide and disturbing concern. Today, we derive some comfort as oil prices hover around US\$ 75 to 80 a barrel. But complacency on energy issues has a greater price.
6. Energy security concerns will continue to challenge us. As the international economy regains its full balance, oil demand will pick up and suck up the supply overhang. Global crude oil prices are condemned to be volatile until both the, oil producers and oil consumers follow the same script. An oil consuming country wants low and assured prices; the oil producer seeks predictability of demand at attractive prices. The oil market is defined by this asymmetry. Strategic and market-unfriendly oil deals further muddy the waters by either over or under-valuing oil assets.
7. The collective good is best served by enlarging the size of the global energy market so that greater quantities of energy resources, like crude oil, is available through transparent and open transactions. The imperative of closer cooperation and interdependence between producers and consumers of oil and gas has never been more obvious. I am happy that this Conference serves this broad principle by bringing together the oil and gas producers of Africa and the Indian hydrocarbon market.
8. Ladies and Gentlemen, India is widely hailed as one of the engines of global growth. But India is, and is also likely to remain, an energy-deficit country for years to come. Friends and guests from Africa, let me emphasize that India is your long-term bet as a partner for cooperation in the energy sector. Consuming over 2.8 million barrels per day, India is the fourth biggest global consumer of crude oil. In the fiscal year 2008-09, India imported oil worth about US\$ 75 billion. As a major consumer of crude oil and increasingly of gas, we guarantee demand in the buyer-seller equation.

9. But, as you would have discovered during this Conference, this is not the complete story of what India brings to the energy table. India is a globally recognized state-of-the-art refining centre. Our energy companies, both in the private and public sectors, have proven expertise in the entire oil and natural gas value chain. We offer ourselves as both a huge market for energy products as also an investment and technology partner in the oil and gas sector.
10. Let me here also emphasize that our approach to African resources is not a one-way street. Over the last decade Africa has been seen in a new light by many because its oil yields have "out-produced the North Sea." But, constrained by the pace of its economic growth, Africa consumes only about 40% of the oil it produces. We will draw equal satisfaction when African oil fuels Africa's own development and growth. Our long-standing priority is to serve as a partner in Africa's economic development. To this effect, capacity building and knowledge and skills enhancement have driven our bilateral assistance to Africa. We are proud to train, educate and broaden the horizons of African citizens.
11. Between the first and second India-Africa Conference the global oil market has gone through a crisis. It is exactly in such testing times that conferences like ours rebuild confidence in the global energy sector. Over the last two days, you have had an opportunity to share information, discuss and share notes on issues covering the whole gamut of the oil and gas sector, including exploration and production, policy and regulations, as well as business opportunities and consultancy. I am confident that your deliberations have resulted in identifying mutually beneficial opportunities in a sector which in many ways is the force multiplier for economic growth and development. I, therefore, congratulate in full measure, the Ministry of Petroleum and Natural Gas and FICCI for organizing this event. And the Ministry of External Affairs is pleased and honoured to have been associated with this Conference. I wish our foreign delegates a safe return home. Let us now focus on the concrete steps to be taken to give effect to the insights acquired during this Conference.

Thank you.