

Eyeing energy transition, Ghana plans to speed up oil exploration

State-owned Ghana National Petroleum Corporation (GNPC) is looking to acquire oil assets in order to accelerate exploration before a transition from fossil fuels reshapes the market, finance minister, Ken Ofori-Atta, said.



Ghana's minister of finance, Ken Ofori-Atta, makes remarks at the Institute of International Finance's meeting entitled "G20: Compact With Africa", during the IMF and World Bank's 2017 Annual Fall Meetings, in Washington, US, 11 October, 2017. Reuters/Mike Theiler

Speaking at a mid-year budget review, Ofori-Atta said GNPC had already identified potential offshore blocks and was in talks with their shareholders with the aim of acquiring a controlling stake.

"Given the prevailing sentiments around energy transition, there is a strong possibility that Ghana may be left with stranded assets," he said, explaining the GNPC's bid to speed up the process.

He did not say which blocks GNPC was targeting.

Ghana discovered oil in 2007 and began lifting at the end of 2010, which boosted economic growth to around 14% the following year and raised hopes of a bonanza. But the government has been frustrated by the slow pace of offshore development.

The economy grew at its slowest rate in nearly 40 years in 2020, largely due to the impact of the coronavirus crisis, while exports were hit by a large decline in oil prices.

Ofori-Atta said there were signs Ghana's economic recovery was gaining some momentum: "The targets for most of the macroeconomic indicators are largely on track," he said.

Growth is forecast to be at least 5% this year, while inflation is seen remaining within the central bank's targeted band of 8% plus or minus two percentage points. The fiscal deficit is seen at 9.5% of gross domestic product, he said.

