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Introduction

LOCAL EXTRACTIONS

Major developments are underway in Jordan as the country looks to diversify (read localize) its energy sources and increase energy security.

In terms of energy, Jordan is probably best known for its leading position in renewable energy, particularly solar. In fact, Jordan's ability to attract capital for renewable energy projects has become a double-edged sword. Before putting a freeze on all renewable energy tenders, Bloomberg's Climatescope Index 2018 named Jordan the third-best host of green energy projects globally. Jordan has gained significant expertise in solar energy, becoming a leader in the region. But the Kingdom's grid is overburdened and, thus, the European Bank for Reconstruction and Development (EBRD) has granted the National Electric Power Company (NEPCO) a USD265-million loan to restructure its debt and conduct an assessment of grid capacity. NEPCO is hopeful this loan will be the first in a series to help restructure the company's USD7.7-billion debt.

And in efforts to further diversify the country's energy matrix and shift toward energy indepen-

dence, the Kingdom is also investing in various oil and gas exploration blocks, including oil shale. It is estimated that Jordan has some of the world's largest oil shale reserves. Attarat Power Company (APCO), the largest investor in the country's energy sector supported by both private equity investments and a Chinese consortium of financiers, will be the first to add oil shale to the energy matrix. National Petroleum Company (NPC) is also looking to boost production at its Risha gas field concession to offer the country a success story to inspire further exploration efforts.

Lest we not forget the mining sector, Jordan's strengths remain in phosphate and potash, but the sector is looking to better support downstream industries and the development of value-added products. The Ministry of Energy and Mineral Resources is also preparing investment packages for the development of rare earth mineral mining. ✖

“ Dr. Jamal Al Sarayrah
CHAIRMAN,
ARAB POTASH COMPANY (APC)

“Having Chinese State Development and Investment Corporation (SDIC) as a strategic partner of APC is of great importance. This can be demonstrated by the fact that APC sales to China, the biggest consumer of potash globally, represented 25% of APC's total sales on average in the past few years... Having such a partner gives a boost to complete the current expansion projects, proceeding in the expansion projects in APC's five-year future plan and supporting the efforts of looking for new investment opportunities whether in potash or in other fertilizer products.”

“ Hanna Zaghloul
CEO,
KAWAR ENERGY

“The energy market is changing; the dependence on conventional energy markets, where large producers, distributors, and consumers make up the chain, is lessening. Today, consumers are also producers simultaneously, and can produce and sell at the same time, becoming part of the business model, though only if the legal platform allows. So far, the legal framework in Jordan has not developed the legislation to give people the right to sell electricity unless they sell directly to NEPCO. Over time, this will change.”

PERSON TO WATCH:

Eng. Mohammad Khasawneh
DIRECTOR GENERAL,
NATIONAL PETROLEUM COMPANY
(NPC)

Increasing Jordan's local production of conventional energy resources is also an important factor in Jordan's energy strategy. Even as the world shifts toward renewable energy, conventional, hydrocarbon resources still play a critical role in the world today. And Eng. Mohammad Khasawneh is working to make sure Jordan best capitalizes on its oil and gas potential. Hoping to give the country a successful case study for oil and gas exploration and production, Khasawneh leads NPC in enhancing the production capacity of Risha gas field and exploring the East Safawi block. Risha gas field, once producing 38 million cbft per day at its peak in 2003, significantly decreased production due to issues with cash flow. Now, the target is to reach a daily target of 50 million cbft by 2030. To start, NPC will drill four wells in 2019, and later 20 wells by the end of 2021. Khasawneh is hoping to learn from and build off Egypt's experiences. Egypt's government, for several years, did not provide the right incentives for international oil companies to invest in the country. But after addressing this issue, the country has greatly increased its production. NPC's Director General would like to see the same thing happen in Jordan, and success at Risha gas field can be a catalyst for this development.

TOP-10 COUNTRIES FOR RENEWABLE ENERGY GROWTH 2018

SOURCE: BLOOMBERGNEF

- 1 Chile
- 2 India
- 3 Jordan
- 4 Brazil
- 5 Rwanda
- 6 Philippines
- 7 China
- 8 Mexico
- 9 Peru
- 10 Thailand



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