


NIGERIA-MOROCCO GAS PIPELINE

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Essential to Morocco's foreign policy is to bring about prosperity to other nations and to enhance mutual interests with other states. Yet the win-win policy has noticeably been hovering in the last two decades due to it becoming a regional pioneer in boosting immense investment in Africa. Ranging from real estate, construction, banking, and industry, to mining, Morocco's investments in Africa count for some 4% of its GDP, making the kingdom the top five investors in Africa. Nowadays, the efforts to diversify Morocco's investment sectors have spanned the energy industry by which many opportunities would emerge in a new era of the Moroccan economy.

Energy Now: Future of Energy

One can safely say that Morocco is one of the poorest African countries in terms of natural energy resources since it relies on more than 90% import of energy - mainly gas and crude oil - to supply its local needs. To achieve that, the north African kingdom diversifies its resources ranging from renewable energies to the much-awaited Nigeria-Morocco Gas Pipeline (NMGP).

A few months ago, Nigeria and Morocco signed a Memorandum of Understanding to start what was called a 'strategic project' to benefit not only both countries but also 11 more African countries whereby the

gas pipeline will pass through. The NMGP was officially inaugurated - under the high patronage of King Mohamed VI and President Muhammadu Buhari - by the two countries, the Nigerian National Petroleum Cooperation Group (NNPC), the Moroccan National Office of Hydrocarbons and Mines (ONHYM), and officials of the Economic Community of West African States (ECOWAS). The NNPC General Director, Mele Kyari, said that Morocco and Nigeria stand to benefit from this strategic project and this benefit will extend beyond supplying gas to energizing countries along the route. He emphasized that some of the benefits include “the creation of wealth and improvement in the standard of living, integration of the economies within the region, mitigation against desertification and other benefits that will accrue as a result of the reduction in carbon emission”. The pipeline will start from Brass Island in Nigeria, passing the West African Coast in Nigeria to Benin, Togo, Ghana, Côte d’Ivoire, Liberia, Sierra Leone, Guinea, Guinea Bissau, Gambia, Senegal, and Mauritania, and will end in north Morocco, where it will be connected to the existing Maghreb European Pipeline that originates from Algeria, via Morocco, to Spain. This project will traverse about 5.600 km from Nigeria to Morocco.

As an alternative to Russian gas, the Nigeria-Morocco gas pipeline will benefit Europe which shows much interest in the project. It was reported in an analysis¹ published by Policy Center for the New South that Europe needs to diversify its energy resources. Having the fact that “... more than 50%

of the European Union’s gas needs come from a single source of supply”, Europe would unsurprisingly encounter an energy-weaponized threat if it did not diversify its gas resources. Thus, relying on African gas would reduce such risks. Similarly, Morocco will benefit from the project in terms of fulfilling the market needs with competitive costs compared to the current high costs.

Economic Prosperity

Once completed, the full capacity of the gas pipeline will produce approximately three billion standard cubic feet of gas/per day. The stages required to accomplish the project would take around 25 years while the costs² of investments were estimated to reach \$20-\$25 billion. The project is very appealing to Europe and many financial institutions because Europe needs to lessen its dependence on Russian gas amid the Ukraine war. In the first months of 2022, the project received significant funding from the Organization of Petroleum Exporting Countries (OPEC) which already started the project’s feasibility study, also known as Front-End Engineering Design. Since the gas pipeline will pass through 13 African countries, not only these countries will be fulfilling the energy needs of more than 400 million people, but the project will also enhance the continent’s socioeconomic development. The pipeline will be a reliable and sustainable source of work opportunities as it will attract many players to offer jobs directly or indirectly for the benefit of the people in the region.

King Mohamed VI said that for Morocco, the gas pipeline embodies “more than a bilateral

project between two brotherly countries” and it will be intended for “present and future generations...and will offer opportunities and guarantees in terms of energy security and socio-economic and industrial development”. The kingdom exhibited its commitment to accomplish this project as well as its readiness to venture into any partnership for multilateral cooperation. Managing Director of NNPC, Mele Kyari, also underlined the importance of this project in creating jobs, economic prosperity, and eventually the achievement of stability and peace across the entire continent. With such mega-projects,

Africa would increase its capacity to recruit its citizens instead of letting them migrate to Europe which in many cases cost them no less than their lives.

While Nigeria is a reserve to many untapped gas and oil resources, Morocco, as a gateway country, has yet another privilege to link Africa and Europe with natural gas besides bridging the two continents with seaports and ferry boats. This bilateral cooperation exemplifies an outstanding model of south-south cooperation and proves that the African continent can compete in large-scale projects.

Endnotes

- ¹ <https://www.policycenter.ma/publications/pourquoi-leurope-t-elle-un-interet-strategique-dans-la-realisation-du-gazoduc-nigeria>
- ² <https://www.bloomberg.com/news/articles/2022-09-15/nigeria-morocco-pipeline-inc-hes-toward-providing-gas-to-europe>

- ³ <https://www.policycenter.ma/publications/pourquoi-leurope-t-elle-un-interet-strategique-dans-la-realisation-du-gazoduc-nigeria>
- ⁴ <https://www.bloomberg.com/news/articles/2022-09-15/nigeria-morocco-pipeline-inc-hes-toward-providing-gas-to-europe>