

## **PIEA CHAIRMAN REMARKS, DURING THE 19<sup>th</sup> PIEA ANNUAL GALA DINNER 25<sup>th</sup> OCTOBER 2019.**

### ***Theme: “Regional Blocs-A catalyst for Development”***

PIEA Directors and Members, PIEA guests, ladies and gentlemen, I wish to warmly welcome you all to the 19th PIEA Annual Gala Dinner.

The PIEA gala dinner signals the close of the year and as has been the case in yester years, 2019 has also been a busy year for us all with significant progress and great opportunities for continuous growth.

Though it's not an evening of speech but of dance and networking, please allow me to swiftly highlight some key industry happenings of the year.

The petroleum energy sector finally welcomed the long-awaited Petroleum Act (PA) 2019 and already two Regulations that are fully aligned to this Act are in force-Legal Notice 99 (Petroleum Road Transportation) and Legal Notice 100 (LPG).

The PIEA was actively involved in the formulation of these regulatory instruments and we wish to recognize with appreciation the Ministry of Petroleum and Mining for enabling proactive private sector involvement in this process which delivered a good number of PIEA's strategic lobby efforts and especially those related to infrastructure and local content development, HSEQ ideals, empowerment of the Regulator as well as promotion of clean and modern fuels. PIEA will continue to be keenly involved in the development of the pending midstream and downstream regulations that are under review for alignment with the PA-a process that is currently in progress.

As most of you may be aware, the development of the National Petroleum Master Plan through the MOPM is finally on course and PIEA is participating. We envisage that the outcome of the study will form the template that will guide government on critical areas of the petroleum supply chain infrastructure and systems that requires expansion and upgrade commensurate with the immediate and future petroleum demand locally and regionally. Our understanding is that this Plan will guide government in executing its obligation of promoting petroleum operations investments as stated in the PA -this is where the regional economic blocs can be influence the development appetite in County's across Kenya.

Noteworthy progress has been made in driving our sectors health, safety, security environment and quality agenda.

1. The Safe Waste Oil Disposal (SWOD) system which Industry has been piloting for the last two years in conjunction with Geocycle (Bamburi) is now valued and following the sensitization workshop held earlier this month we have observed more Companies subscribing to SWOD and/or increasing the used oil for collecting at Service Stations.

2. Industry conducted and completed the Nairobi Depots location risk assessment study and the recommendations (which are being tracked by the Nairobi Depots Safety and Security Committee) are being implemented by the policy and regulatory agencies including EPRA, NEMA.
3. PIEA has steered and participated in the development, review and harmonization of various Kenya and East Africa Standards. It's delightful to note that once again Kenya has come first globally by launching the Cylinder Smart Meter Standard just as we did with the first series of our fuel standards where EA became the first region outside the EU to roll out harmonized low Sulphur fuels-as you know this has also been upgraded again and gazetted this August.

We commend the KEBS for closely collaborating with Industry in providing standards based solutions that promote innovation, trade and quality life.

Ladies and gentlemen, on matters health, it has become glaringly clear that indeed the petroleum energy sector has a role in the attainment of UHC and specifically in eliminating the preventable ill health in children and women. Our strong view is that we as stakeholders each have a specific obligation to save the life of a Kenyan child by supplying every Kenya household with a safe LPG cylinder for their cooking requirements. The Regulator must fully enforce LN 100 in the interest of consumer safety and investor confidence-this is our only chance to sow the seed of change in the LPG segment. -Here lies another opportunity for investment negotiations with regional blocs!

We have this year signed up an MOU with one of our member's subsidiaries-Morendant Institute of Oil and Gas as an effort in our capacity building diversification which is aimed at ensuring that training offered at the PIEA School of Petroleum Studies is continually re-aligned with the changing needs of economies in the region and further to compliment and support the changing economic, regulatory and technological trends and developments.

There is still a lot of work ahead of us and especially in reforming business segments such as lubricants-the work is cut out and we need support from policy maker's regulators, PIEA members and other like-minded associations to advocate for the necessary changes that will revive local manufacturing of lubricants.

As I said, this is but a highlight of the year and a more comprehensive report will be issued during the PIEA AGM next month.

Allow me to state that the Industry remains committed to collaborating with government Ministries as well as regulatory agencies to ensure that we have a sustainable oil and gas sector that is stable, competitive and legal for the current investors and potential investors.

In closing, I would like request you to please join me in appreciating the open door policy and dialogue that has been extended to us by the Ministry of Petroleum and Mining. We have managed to make swift progress on industry issues due to the cooperation.

