

Speech of Dr the Hon A T Kasenally

Minister of Public Utilities

Workshop on Energy Statistics and Energy indicators for Sustainable Development in the SADC countries

21 August 2007, @ 9 00 am

The Deputy Prime Minister and Minister of Finance and
Economic Development Hon R Sithanen

The representative of UNSD Mr Karoly Kovaks

The representative of IAEA Mr Gritsevskiy

The Director of Statistics Mr Harish Bundhoo

Distinguished guests

Ladies and Gentlemen

1. It is my pleasure and honour to address this distinguished and highly technical assembly today and consisting of people who are one way or another connected with issues of energy.

2. At the outset allow me to congratulate all those who have organized this workshop namely the United Nations Statistical Division, the Southern African Development Community, the International Atomic Energy Agency as well as the Central Statistics Office, all of whom have had the brilliant idea of conducting this workshop in Mauritius, as this week itself, the preparation of the detailed energy policy has started.

3. This gathering will enable participants from the SADC region to exchange information on best practices not only at the regional level but also on the global scale and I am sure you will all stand to gain from your participation at this workshop.

4. This workshop is important as policy making has to be based on solid, reliable, accurate and up-to-date statistics. From statistics, analysts can make observations and deduce trends and from an interpretation thereof, they can advise us on the best way ahead.

5. Reliability, Accuracy and availability are therefore paramount in enabling sound decision making, whether it is in the field of energy specifically which you will be addressing in this workshop, or in other fields.

6. For example, it would be utter madness to rely on statistics which have been cooked up, especially when a masterplan is being prepared as, if the foundations are themselves shaky what will happen to the final structure.

Ladies and Gentlemen:

7. I'll use an analogy to explain my position. Recently, we have witnessed the crumbling down of a major bridge in the USA and two in China causing numerous deaths. What were those bridges structure and status based on? Statistics.. such as data on the number and types of vehicles which were going to be using them, about the state of the structures etc. In fact, according to some reports, those who designed the Chinese bridges did not factor in the rapid growth in traffic that the country experienced in the 1990's and continuing to date.

Ladies and Gentlemen:

8. In terms of energy, the issues are no less important as they concern the long term economic development of the country. The policy of Government is to shift the reliance from petroleum products to a more diversified energy basket comprising of coal and renewables.

9. How did we come to the conclusion that we needed such a policy? In very brief terms, the prices of oil are skyrocketing due to the lack of geopolitical stability in the Middle East while the prices of coal are much lower as coal is more evenly distributed around the globe. Moreover, we have to consider also the stark statistics regarding global warming and which show that with time global temperatures will be rising thereby causing the melting of the polar ice caps which will in turn result in an expected rise in sea level.

10. Each and every aspect of the phenomenon of global warming is carefully documented and for international cooperation to have reached such certainty about it, the statistics must have been consistent and reliable.

Ladies and Gentlemen:

11. Sustainable development means different things to different people, but the most frequently quoted definition is from the report *Our Common Future* (also known as the Brundtland Report): "*Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*"

12. Sustainable development focuses on improving the quality of life for all of the Earth's citizens without increasing the use of natural resources beyond the capacity of the environment to supply them indefinitely. It requires an understanding that inaction has consequences and that we must find innovative ways to change institutional structures and influence individual behaviour. It is about taking action, changing policy and practice at all levels, from the individual to the international.

13. It is of special relevance to SADC countries which are all in stages of development where rapid decisions are required in terms of managing the energy sectors as the SADC economies are generally picking up.

Ladies and Gentlemen:

14. Statistics should therefore be an enabling tool in the process of driving the SADC region towards sustainable development. Sustainable development concerns all fields whether it is the economy, the environment or the energy sector. In terms of managing the economy, decision makers have to know whether the approach to managing the economy is sustainable or not and if we do not have particular indicators such as the Gross Domestic Product or level of unemployment, how will my colleague Hon Rama Sithanen our chief guest today, chart out the future of the Mauritian economy? As regards the energy sector, the same thing applies. How will we situate ourselves if we do not know how much we are consuming in each sector and how much we need to forecast so that new power plants are scheduled at the appropriate time.

Ladies and Gentlemen:

15. Sometime ago, there was a great debate going on in the island as to the use of bagasse from sugar cane in the production of electricity. But based on available statistics, it was known that every shred of bagasse was already used and that the maximum amount of electricity which could be produced from bagasse was only 700 Gigawatt Hours.

16. Therefore the idea that all bagasse was going to be used under the proposed plans was easily justified. And if the bagasse available is insufficient to meet our needs and those of the future generations, then surely we have to look elsewhere to ensure the security of supply in terms of energy.

17. Statistics are in this sense a useful communication tool between the scientific community and the decision makers. They enable decision makers to know what analysts make out of important data.

18. They enable reasonable targets and as people in the field of management would say, targets have to be specific, measurable, achievable, realistic and targeted. Unless targets set by any organization have those qualities, it is unlikely that they would even be met.

Ladies and Gentlemen:

19. Last week, the respected The Guardian newspaper from the United Kingdom, reported that the recent legislation on Climate Change had created targets which the UK would itself be unlikely to meet. Worse, the previous Prime Minister Tony Blair himself had been made to endorse those commitments which were based on poor statistical predictions.

20. An internal briefing paper for ministers, a copy of which was obtained by the Guardian, reveals the reflections of officials Department for Business, Enterprise and Regulatory Reform.

21. They now think the best the UK could hope for is 9% of energy from renewable sources such as wind, solar or hydro by 2020 thereby missing the target of 20% set by the EU by a long way. Worse there were calls from inside for statistical interpretation of the targets! I'll quote further from the article as follows:

22. *“The paper suggests a number of ways ministers could wriggle out of specific commitments. It also suggests ministers lobby certain EU commissioners and countries such as France, Germany, Poland and Italy to agree to a more flexible interpretation of the target, by including nuclear power, for example, or investment in solar farms in Africa. Officials ask ministers to examine “what options there are for statistical interpretations of the target that would make it easier to achieve”.*”

23. Although we have to respect developed countries for the willingness displayed to tackle the issues of global warming and sustainable development, we have also have to make sure that we learn from their mistakes as well.

24. Another example of statistical miscalculations in the finance sector leading to mistrust in the market is what has recently happened in the US. One investment bank saw two of its hedge funds being holed by sub prime mortgages. How did a respected institution fall into such an abyss? As you would guess, it was probably due to misinterpreted or bad statistics.

25. When lending societies give loans to people with dubious creditworthiness, the result is not only that they themselves lose credibility but that the market loses faith and that too not only in the States but in South East Asia as well where it has had a domino effect.

26. On this issue, I'll quote from the respected Financial Times which says: UBS one of the most credible banks in the world, after fleshing out its figures to analysts, phrased its outlook more circumspectly than many European peers and stressed the difficulty of any predictions in the current volatility. Hence utmost caution is needed in dealing with statistics.

27. Therefore in whatever profession we are, we have to be alert to our own mistakes and to take corrective action. There are many ways of describing this “quality audit”. For example, we have to look back and ask ourselves what went wrong and what should have been done, which should have been done differently. The crucial thing is to have a capacity for critical examination and evaluation of ones own performance and achievements.

28. Luckily for Mauritius, while Europe is aiming for 20% renewable energy in year 2020, and are already finding hard to meet this target, Mauritius already relies on renewable sources for 22% of its electricity supply. By setting targets too high, a country can embarrass itself and in so doing its credibility in terms of tackling the crucial issue of climate change can be seriously jeopardized.

29. Hence, at SADC level, we ought to make sure we do not overestimate our abilities whether in terms of human or financial resources.

30. Reliable statistics will enable us to make sure that what we plan to be our sources of energy for the future are reliable and in abundant supply over the long term. In this respect, for Mauritius, coal, bagasse, solar and wind energy seem, for the time being, to be the best resources.

31. However we should not forget the ocean surrounding us with its vast energy potential still untapped in the form of waves on the surface and petroleum and thermal vents in its depths. Those hidden treasures still have to be fully harnessed and in due course I am confident that technology will enable us to make the breakthrough.

Ladies and Gentlemen:

32. In conclusion, I would like to reiterate my appreciation for the organizers of this seminar. I trust the participants will make full use of it so that when you go back to your home countries, you will be able to implement approaches which you will have encountered at this seminar.

33. Seminars like this one provide the best framework for continuous professional development and I consider that it is especially important that in whatever field of knowledge that people are engaged, that we keep updated on latest approaches and technologies.

34. After this seminar, I am therefore sure that, you will be better equipped to enable your decision makers to develop more informed policies. I thank you for your attention and wish you all fruitful deliberations.