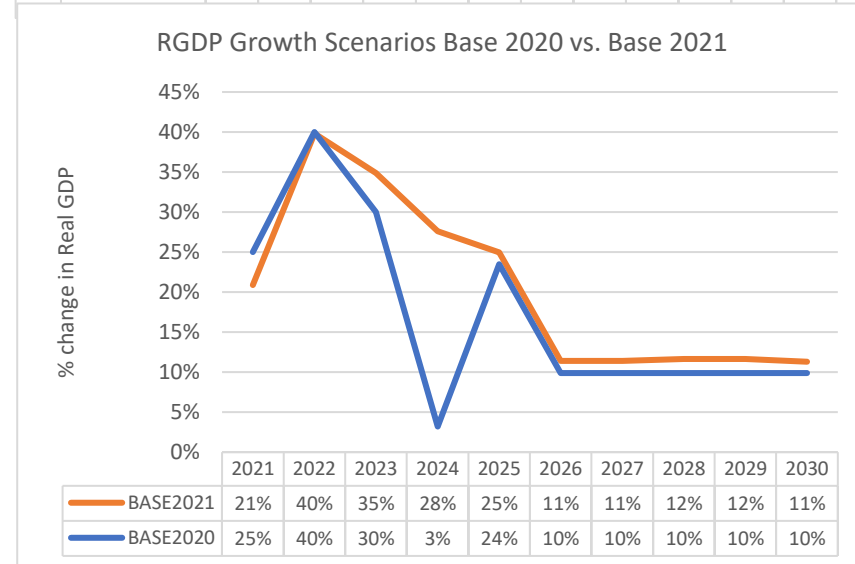
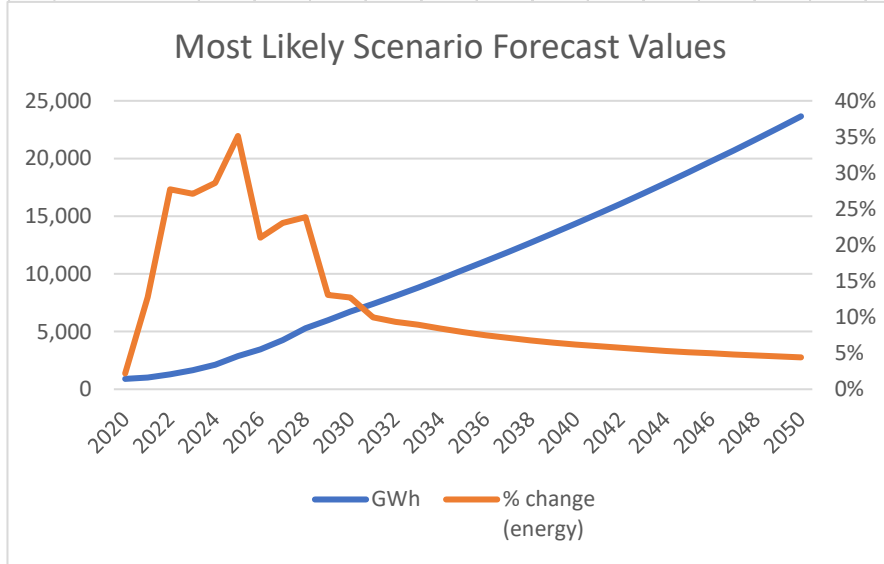
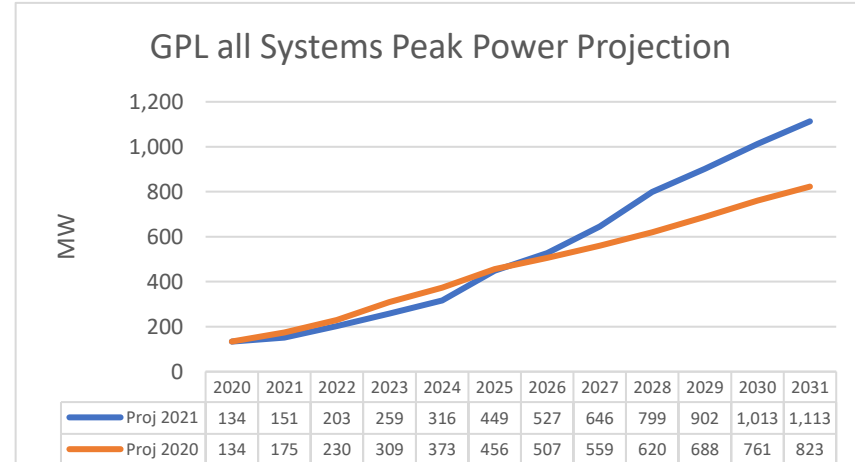
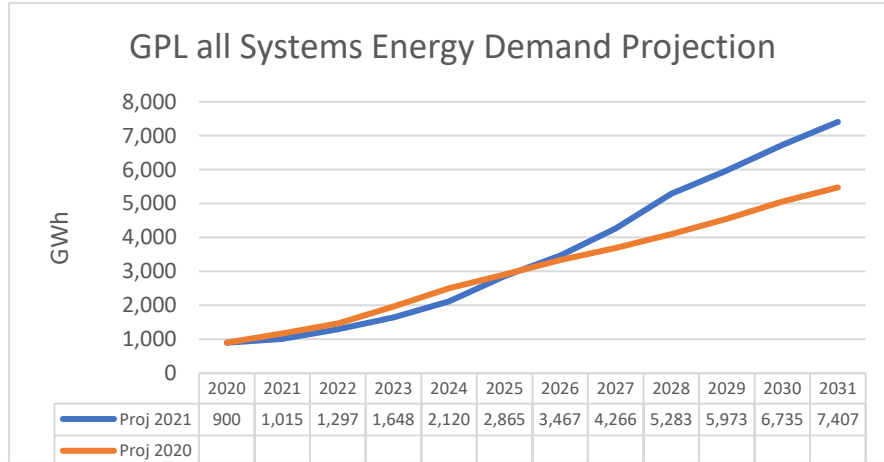


## Notes on updated Energy Demand Forecast (September 2021)

### Graphs showing key trends



**Explanation of observed trends**

- ❖ The primary drivers of energy demand continue to the growth in economic activity as represented by the Real Gross Domestic Product (RGDP) according to the different sectors of the economy.
- ❖ The projected base case RGDP growth rates have been adjusted from their 2020 base projections as follows:
  - 2021 growth lowered from 25% to 21% (as per MOF budget estimates 2021), reflecting the impact of COVID19 and other economic realities. However, it is possible that the actual growth rate may be marginally lower than this projection to fully cater for the impact of the devastating flooding across Guyana in mid-2021.
  - 2022 growth is almost the same in both sets of projections
  - 2023 to 2030 growth rates are higher in the latest (2021 based) projections primarily reflecting a significant scale up of oil projections than what was previously expected.

- The 2020 base projections were premised on 3 FPSO’s producing oil, while the 2021 base projections assume 5 FPSO’s will be operational by 2026:

| Oil Production ('000, bpd) | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------|------|------|------|------|------|
| BASE2021                   | 120  | 320  | 500  | 600  | 800  |
| BASE2020                   | 120  | 320  | 320  | 500  |      |

The above values of oil production are estimated production at the end of the year. Therefore, for new FPSO’s that become operational the full effect of these production rates will be achieved in the following year’s output.

- Population growth rate assumptions from 2023 onwards remain the same as the 2020 base projections. However, updated data from the Bureau of Statistics provided a lower baseline for population 2020 to 2022 as follows:

|                  | 2020    | 2021    | 2022    |
|------------------|---------|---------|---------|
| <b>2021 base</b> | 770,026 | 772,975 | 775,790 |
| <b>2020 base</b> | 756,234 | 767,124 | 778,171 |

Since the projections model forecasts per capita energy demand, the implication of the lower population growth baseline for these 3 years is that overall energy demand would be lower when assessed based on the overall population.

- ❖ The compounding effect of the above is that energy demand for the period 2021-2024 is lower in the updated 2021 base forecasts than in the previous 2020 base forecasts. However, the longer term higher economic growth eventually pulls energy demand in the updated scenario above the previous scenario from 2025 onwards.