How important this is for natural resource rich countries in Africa (net wealth composition, 2005)

- Cote D'Ivoire
- Angola
- Mauritania
- Nigeria
- Kenya
- Zambia
- Ghana
- Guinea
- Mozambique
- Zimbabwe
- Liberia
- Congo DR

Intangible Capital
Net Foreign Assets
Produced Capital
Natural Capital

US$, 2005 prices, Wealth per capita
Mauritania

- Large, sparsely populated desert country in North Africa
- More than 50% of natural capital is represented by renewable resources.
- Potential to significantly improve the fishery and livestock sectors
- Generous endowment of iron, gold and gas.
- GDP per capita approx $1200
The analysis

**Six sectors taken into account:**

- Iron ore
- Gold
- Fishery
- Natural Gas
- Crude Petroleum
- Pasture Land
Fisheries

Fisheries are renewable resource. Depletion is therefore balanced to some extent by natural growth / renewal. Extraction has to therefore be divided into the “sustainable” portion and the “depletion” portion.

- Sustainable exploitation of fish stocks - renewable
- Depletion: This part of wealth has been used. It’s “gone”. That’s what needs to be BALANCED on other items (infrastructures, education, etc.)

Net present value for the considered period: USD 11 billion, which equals roughly 2,800 USD per capita.

Basing on the current structure of exploitation and on the other current assumptions, the depletion in the sector of Fishery in 2013 equals approximately USD 450 mln.
Maximum sustainable and economic yields

- Maximum sustainable yield
- Catch/Yield
- Fishing effort
- Cost curve
- Negative rents

Fisheries USD 11 bln
Iron Ore

Production is estimated to grow from 11 million tons (present) to 25 million tons (2020) and to 35 million tons (2025). Rent calculations take into account rising future production.

Net present value for the considered period: USD 6.5 billion - which equals roughly 1,800 USD per capita.

Depletion in 2014 – approx USD 250 million.
World spot Price (average) is assumed equal to 1500 $/ounce (real) in the short term, and then equal to 1200 $/ounce (real) in the longer term, starting from 2020.

Net present value for the considered period: USD 1.1 billion, which equals roughly 300 USD per capita.

Depletion in 2013 = USD 41 million.
Gas

Net present value for the considered period: USD 1.6 billion, which equals roughly 496 USD per capita

Production is assumed to start in 2017 and last for 20 years

Depletion during the first year of operations = USD 67 mln
Oil

Net present value for the considered period: USD 3.1 billion, which equals roughly 933 USD per capita

Depletion in 2013 = USD120 million
Pasture Land

Net present value for the considered period: USD 3 billion, which equals roughly 900 USD per capita

Depletion in 2013 = USD 130 million
Total natural capital wealth is estimated between 25 and 30 billion US$, which is equivalent to roughly 8,000 US$ per capita.
Composition of total wealth: Mauritania

New Calculations (per capita wealth, 2013 US$)

Intangible capital 52%
Natural capital 36%
Produced Capital 12%
The analysis - Depletion
Thank you for your attention

For more information:
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IDA The International Development Association

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