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## **The effect of gas to a liquid fuel on GDP: Case of Mozambique**

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Natural gas has turned into a vitality energy source around the globe. Gas-to-Liquid (GTL process) is a system that changes natural gas to liquid fuels. Recent discovery of huge proved reserved of natural gas in Mozambique can alleviate the dependence on import refined liquid fuel. The study aims to identify the effect on local economy when Mozambique substitutes' traditional fuel derived from crude oil to a local GTL fuel production. With current advanced technology, GTL fuels cost per barrel of oil equivalent (BOE) was proved less than the traditional. The local petroleum law stated 25% of natural oil & gas explored will be used in domestic economy under government control. The data of fuels consumption (2000 to 2013) for the economic effects comparison showings the results in regression analysis that the amount spent for import fuels occupies 15.108% of GDP. Distillate fuel (diesel) represents 67% of the total, gasoline 18% and jet fuel 9%. The study proved and concluded that, local projected GTL fuels production plant and the quote for using in Mozambique exceed in 167.5% annual BOE imported and can substitute for imported refined fuels under actual economic factors with extra barrels for export or reserve. Due to country policies implications and GTL plant is unfixed, further study may need for better perception on domestic economy implications of Mozambique.

### **Biography**

Ismael Valigy is currently working at UCSI University as a faculty of Business & Information Science. He had completed his masters in Economics, Management, and Business Management from Catholic University of Mozambique.

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