

Speech of
HE Dr. Mohammed Bin Saleh Al Sada
Minister of Energy & Industry
at
International Energy Forum
Fourth Asian Ministerial Roundtable
Kuwait City-Kuwait
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Your Excellencies,
Distinguished Participants,
Ladies and Gentlemen,

It is a pleasure to be here for “The Fourth Asian Roundtable” and have the opportunity to meet with some of the top energy and

business leaders at this prominent gathering.

Last month, the world was horrified by the disastrous events triggered by the earthquake of unprecedented severity that hit Japan. We share the sorrows for the loss of life and upheaval caused to a highly organized society. May I also reiterate Qatar's condolences to the people of Japan and our commitment to help in every way we can towards reducing the effects of the disaster.

With the dawn of this decade, there were signs of world economic recovery. The strength and rate of the recovery looked set to vary greatly between different regions of the world. The International Monetary Fund (IMF) long-term forecasts predicts economic growth averaging around 3.2% globally, with Asia expected to have the strongest growth averaging more than 5.4%¹ compared with about 1.8% average growth in OECD countries. They further note that current macroeconomic

¹ IEA outlook 2010, table 1.3

imbalances in Europe and the USA could accentuate this expected long-term trend.

Strong economic growth creates a challenge for Asian governments to meet their growing energy needs. According to the International Energy Agency, the IEA, energy demand in Asia will almost double by 2035 while consumption in the OECD will remain almost flat². To face this paradigm shift, hydrocarbon producing countries must ensure that adequate investments are made in production capacity. These investments

² IEA outlook 2010, table 2.3

will need to match the timing of growing demand in key markets and will, of course, need to be made in a manner that is consistent with the growing environmental concerns.

Ladies and Gentleman,

To respond to this fundamental change in the world energy demand, the hydrocarbon industry must ensure that relevant investments are made throughout the value chain. More oil will be required to satisfy the aspirations of a growing number of middle class that seek mobility. Similarly,

more natural gas will be needed to meet expanding power generation and industrial activity as well as residential consumption. If you follow the IEA outlook, over \$15 trillion³ in cumulative investments will be needed in order to build the global oil and gas infrastructures needed to meet expected demand in 2035.

One key challenge will be to continue to develop and to apply modern technologies to unlock the potential of previously uneconomic resources. The unconventional

³ IEA outlook 2010, table 2.4

resources of today will become the conventional reserves of tomorrow. Natural gas liquids are set to represent almost half of the global growth in liquid hydrocarbons⁴. Shale gas, coalbed methane and tight gas may represent more than 19% of the global natural gas production in 2035⁵. This transformation of the global energy supply will require new and specific investments. However, under any scenario, OPEC member countries will remain a central player in the world energy supply.

⁴ IEA outlook 2010, table 3.3

⁵ IEA outlook 2010, figure 5.4

Future production levels will be determined by the investment decisions we make. As such, we need to ensure that the industry has a stable business environment that will give the confidence to make large scale investments.

Ladies and Gentleman,

Due to efficiency and favorable environmental properties, natural gas has become the fuel of choice in many industrial and industrializing countries. Even with unconventional gas resources beginning to enter the energy mix, LNG is set to play an

increasingly important role in meeting the growing energy needs of many countries – in particular those in Asia.

While Qatar started as an oil producing country, it is now the world's largest producer and exporter of LNG. Under the wise leadership of His Highness the Emir Sheikh Hamad Bin Khalifa Al Thani, Qatar has achieved an incredible expansion in its LNG industry. A few months ago, Qatar celebrated reaching its targeted LNG production capacity of 77 million tons per year.

These advances were coupled with other equally important developments along the whole value chain of natural gas. Qatar is already the largest producer of low-density polyethylene in the Middle East. The Pearl GTL, which is now under commissioning, will be the world's largest Gas-to-Liquid plant. Such scale of production and scope of products have only been possible through careful planning and timely investments.

Ladies and gentlemen,

The Gulf region, which is part of Asia, has one of the highest economic growth rates in

the world. As a result, domestic demand for energy is increasing dramatically. This situation highlights the need for governments and industry to work together to ensure that timely investments are made to match the growth in both domestic and international demand.

Energy investments being long-term propositions, both in terms of the lead times involved in construction and in the life of the productive asset, it is vital that transparency exists in the market and that investors have sound information upon

which to make decisions. Better data and forecasts will reduce disruptive energy price fluctuations; this will ultimately benefit both producers and consumers of energy products. In this regard, the efforts⁶ undertaken within the Secretariat of the International Energy Forum are of the highest importance and must be supported by both producers and consumers.

Ladies and gentlemen,

Energy is the backbone of our modern society; however it is only through

⁶ The International Energy Forum current initiatives are: JODI and Ministerial meetings.

technology that we are able to extract its full benefits.

In the areas where no direct competition exists, technology alliances would help us reach our common goal of economic and social development. To this end, scientific cooperation, education exchanges and joint-ventures on large scale infrastructure projects are towards our common interests.

These interests not only include meeting our energy demand, but also developing the technologies that enable us to meet our

needs in a safe and environmentally responsible manner.

After the COP16 meetings in Mexico, it has become apparent that considerable work remains to be done before any collective international response to climate change is agreed. Despite this, we are already seeing significant advances in the efficiency of energy use and renewable energy technologies. While these developments will undoubtedly impact the global energy outlook, it remains clear that fossil fuels will continue as the center piece of the

energy equation for several decades to come.

I remain a firm believer in the robustness and resilience of the energy industry. The unprecedented rise of Asian demand for energy can be met if we plan the right investments at the right time in a sustainable way. Specifically, the availability of natural gas and its comparative advantages will lead to sustainable and profitable exchanges between Qatar and the Asian countries.

To indicate Qatar's energy links to Asia, our records show that in 2010, Asia was home for 80% of our crude and products exports, 95% of the LPG and 100% of condensate.

As for LNG exports to Asia which was 10.825 million tons in 2000 grew to 28.859 million tons last year.

Ladies and gentlemen,

In concluding, I would like to reiterate Qatar's unwavering commitment to our leading role in meeting the growing global demand for environmentally-friendly energy,

in a sustainable manner. Qatar continues to invest in the full energy value chain using the best available technologies. Qatar is also committed to providing a stable business environment and transparent energy policies that foster international collaboration in its energy industry. I am confident that together we can overcome all future challenges.

Thank you.