

## **Inaugural Session Speech**

**by**

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**In the**

**6th Asian Ministerial Energy Roundtable  
“The New Energy Landscape: What Role for Asia?”**

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9:15-9:25 AM**

Thank you very much, Your Excellency Sheikh Abdullah bin Nasser bin Khalifa Al Thani, the Prime Minister of the State of Qatar for your

Dr. Al Sada's Speech – 6<sup>th</sup> Asian Ministerial Energy Roundtable, Doha, Qatar –  
Inaugural Session 091115

inaugural address of this 6<sup>th</sup> Asian Ministerial Energy Roundtable. We value your advice that nations cannot grow in isolation, and that cooperation is essential for the future growth.

Your Royal Highness Prince Abdulaziz bin Salman Al-Saud  
Your Excellencies,  
Distinguished guests.  
Ladies and gentlemen,

Let me once again welcome you all, to this 6<sup>th</sup> Asian Ministerial Energy Roundtable. It is indeed our great privilege and honor to host this conference. It is an opportunity for all the eminent personalities that have gathered here today to exchange views on the emerging New Energy Landscape and ascertain what is the role for Asia in this landscape.

This meeting continues the ongoing efforts of the International Energy Forum, IEF, in bringing about the Asian regional energy cooperation. It is a step forward where we left in the 5<sup>th</sup> biennial Ministerial Energy Roundtable in Seoul, in Sept 2013. Today, we will once again dedicate ourselves to look at the challenges faced by the region in light of the emerging realities of the global energy markets.

Your Excellencies, Ladies and Gentlemen,

As the importance of the Asian region grows, so does its challenges and opportunities that are linked to its development. These challenges vary with the sub regions that constitute Asia and encompasses extremely diverse countries with vast differences in their levels and patterns of energy production and consumption.

Economic aspirations of these sub-regions gives rise to a range of challenges for energy policy-makers in the region such as improving energy efficiency, fuel subsidies reforms, reduction in wasteful consumption, and diversifying the energy-mix.

Dr. Al Sada's Speech – 6<sup>th</sup> Asian Ministerial Energy Roundtable, Doha, Qatar – Inaugural Session 091115

The common denominator and the most crucial challenge our Asian nations face in the wake of economic and developmental aspirations is the security and sustainability of the energy needs. However, there is a caveat to this challenge; while addressing this issue the nations have to pay close attention to limit the rise of green-house gas emissions, especially given the expanding role of coal in the Asian energy-mix.

The issues of Energy security will be addressed during the course of this roundtable.

Now let me briefly review with you the recent developments that have taken place in the energy field and its implications for Asia. It can perhaps also serve as a backdrop for the panel discussions that will take place later today.

Over the last one and a half years all of us have experienced directly or indirectly the impact of depressed oil prices. This period has seen the steady fall in oil prices from \$110 plus to around \$50 per barrel as of today. Both National Oil Companies and IOCs have felt the aftermath of this down turn. Oil producing economies suffered budget deficits whereas major consumer nations benefited from low oil prices.

This trough in oil price cycle has been driven by a surge in supplies in the form of shale oil and relative weak global demand growth leading to severe glut. This has led to emergence of two important fallouts, not considering other spin-off impacts, one is the contraction in the investment for future prospecting and development of oil and gas industry and the other is the reorientation of trade of these commodities, both having long term ramifications. It has triggered a struggle for market share for the producers and serious reason to look at the economies of production.

There is a pressing need to exchange perspectives on the supply and demand drivers that are shaping the market and talk about the measures, be it domestic policies or international cooperation

initiatives to correct the sentiment of the market so that global economies, including the Asian economy can develop in a sustainable manner.

### **Your Excellencies Ladies & Gentlemen,**

The decline in the oil and natural gas prices is threatening the economic viability of new developments, delaying projects and discouraging investment. As an example, the fall in global investment in exploration and production of oil between the spending in the years 2014 and 2015 is estimated to be \$130 billion, or nearly 20% of the investment in the previous year. It does not augur well for the future of the industry as it could lead to shortage in supplies and the consequences that ensues.

While talking about the prospects of Oil & Gas as future energy sources in the long term, I must also talk about the maturity of the existing resources. Many of the prolific oil and gas fields in Asia have already started to decline. Whenever there is a growth in production expansion it is at a moderate pace, lower than its performance in the past.

Considering the increased difficulty and lower rate of output from remaining oil and gas resources, a prolonged period of low prices for oil and gas would further defer the investments in the region impacting the volume of its oil and gas supply.

The uncertain demand and turbulent market conditions do not encourage producers to invest in developing the much-needed resources for tomorrow.

While discussing oil and gas let us not forget about coal, the second most used energy source in the world. Despite the environmental challenges coal continues to be crucial component of the energy-mix in Asia. However, the dynamics of the coal market is also changing as more output is directed towards meeting the region's own demand.

Any investments for developing future energy sources will have very important impact on the regional energy mix especially vis-à-vis the coal which for many Asian nations remains to be the backbone of their energy industry. Therefore, one of the key questions to be addressed in this Asian Energy Meeting would be, what is the future of coal besides gas in Asia?

Abundantly available natural gas, spread across the globe with its attractiveness as a clean energy source, continues to provide strong incentive for further development effort for Natural Gas. There are still opportunities for Natural Gas to expand and capture new markets including many prospective consumers in the emerging markets who will find it much more compatible under the current environment of stringent climate change targets.

The impressive growth achieved by the global LNG industry up until now has been driven by a combination of innovative technology, cooperation and investment, together with an uncompromising commitment to safety across the supply chain.

We need to continue focusing on these success drivers and seek more collaborative solutions to overcome the current challenges and uncertainty.

We also need to continue emphasizing the importance of natural gas in the global energy mix and promote its utilization as the best fossil fuel from the environment protection point of view.

Excellencies, Ladies and Gentlemen,

Before I conclude I call upon all nations for their active cooperation to achieve our development and sustainability goals within the precincts and agreed targets of global climate change by adopting balanced policies while observing the interest of all nations.

Please allow me to express my appreciation for all the efforts that have made this important meeting possible and a very special mention of those in charge of the International Energy Forum and our co-host of this Conference, the Ministry of Energy of Thailand. Many thanks to each of you who have been kind enough to take out their valuable time to participate in this conference. I wish you all a very productive discussions and pleasant stay in Doha.

Thank you.