

G20 Energy Ministers Meeting

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Session 2:
Energy Investments in Light of Current Market
Conditions

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Excellencies, ladies and gentlemen.

It is a pleasure to be back in Istanbul at this G20 energy ministers meeting. Today, I will speak about the vital importance of energy investment.

We all want clean, affordable, viable and sustainable sources of energy. We want it for ourselves and we want it for all the people of the world. Investment is central to this objective. By investing in science, research, technology and brainpower, we can achieve our shared goals and ensure future generations across the world can utilize the planet's precious resources. But key to investment is price. So today I will discuss price, the impact it has on investment and what steps we need to take going forward to ensure access to energy for all.

Excellencies, ladies and gentlemen.

Since the 1970s, the global oil price has fluctuated between \$10 and \$147. When it goes up, people say this is good news for producers. When it goes down, the news is good for consumers. The fact is, these historical cycles of boom and bust are bad for everyone.

Producers and investors work to very long-term horizons in energy, and wildly fluctuating prices are in no one's interests. If we all want clean, affordable, viable and sustainable sources of energy, we need to work harder to minimize these gyrations.

Of course, when prices fall, companies and governments reduce expenditure. This is understandable. But sustained and steady investment is important for an industry with such long-term horizons. If, by working together, we can reduce excessive price volatility, then this is achievable.

The G20 has a vital role to play in helping stabilize global energy markets and in terms of supporting developing nations in their quest for growth.

For this to happen, cooperation, trust and dialogue are key. We believe the International Energy Forum remains the ideal institution through which we can achieve our shared goals, working with the G20 and others. We call on all nations to support the IEF's work.

One major development in today's oil market is the growth in US shale oil production. We welcome this new oil. Nations of the world will need all the oil they can get over the coming decades if they are going to see sustained economic growth. We think shale oil can help contribute to dampening down price swings. And that's good news for producers and consumers.

Excellencies, ladies and gentlemen.

Just because I am Saudi oil minister does not mean my comments stop at oil. When I talk about the vital importance of investment, I mean investing in exploration and production, investing in technology, across the entire the value chain, and investing in services, education and training. Saudi Arabia will continue with its investment plans, despite current price levels.

But I also mean investing in all types of energy utilizing all indigenous resources: fossil fuels *and* renewables. The world's population is increasing. This is a fact. People in the future will need energy from a range of sources if they are to survive and prosper. We in Saudi Arabia see solar power as fundamental to our long-term economic interest. But be under no illusions that solar or wind power alone hold the key. Even in Saudi Arabia, solar power is not the only solution.

Excellencies, ladies and gentlemen.

In conclusion, we must continue to invest in all forms of energy, including oil and gas. Indeed, we believe that investment in science, research and new technologies will enable us to utilize fossil fuels in increasingly clean and efficient ways in the future to progress toward low GHG worldwide economy. And this will prove to be a huge benefit for future generations.

Thank you.