

Contributing to stability of supply

INTERVIEW WITH ABDULLAH BIN HAMAD AL ATTIYAH

SECOND DEPUTY PREMIER, MINISTER OF ENERGY & INDUSTRY, QATAR



ABDULLAH BIN HAMAD AL ATTIYAH

received his degree in Humanities from Alexandria University in 1976, beginning his career in public & international relations and administration in the Ministry of Finance and Petroleum. In 1986 he was made Director, Office of the Minister. He served as Director of the Office of the Minister of Interior from 1989-92 before being appointed Minister of Energy and Petroleum, and Chairman and Chief Executive of Qatar Petroleum in 1992. In 1998 he was made Chairman of the Planning Council; from January 1999 to April 2000 he was Minister for Energy, Industry, Electricity & Water, and on 16 September 2003 he was appointed Second Deputy Premier.

How significant is the contribution of Qatar's oil and gas resources to the country's economic development and how sustainable will this contribution be in the long-term?

Although Qatar is the smallest oil producer in OPEC, we have developed our capacity significantly. Only a few years ago, our production did not exceed 350,000 barrels per day and our reserves were estimated at about 2 billion barrels. Today, we have expanded our capacity to 830,000 barrels per day and our current reserves are now estimated at almost 4.5 billion barrels. So even our oil sector has been a success story.

Gas, as you know, is a different story. We have more than 900 trillion cubic feet of proven reserves from the single offshore North Field. This is considered the biggest single non-associated gas field in the entire world, and makes Qatar one of the three main gas producing countries, alongside Russia and Iran. Our current production from the North field is running at 4 billion standard cubic feet per day (scfd), however, when all the existing projects which are currently in development come on-line, this output will shoot up into the region of 24 billion scfd. Despite this increase, the North field is expected to be productive for many years to come.

Our key challenge is to develop the optimal ways in which to use our huge gas reserves. Qatar will soon be the biggest LNG producer in the world, reaching an output of more than 77 million tonnes per year by the end of this decade. The other major utilisation is Gas to Liquids (GTL). Qatar is now moving very quickly to develop GTL diesel production as a 21st Century fuel. We are on course to be the biggest worldwide producer of GTL by 2012.

Will GTL diesel be significantly more costly than its oil-derived equivalent?

GTL-produced diesel should command a premium in comparison with classical diesel, because it is the cleanest in the world. This high quality fuel can significantly reduce emissions in big cities like London or Paris when used for public transport and automobile traffic. Our GTL facilities will produce high quality gasoils for diesel use, lube based oils and paraffinic naphtha – all of which are products in high demand today. Significantly, it will be the first time that lube base oil will have been produced from a gas.

How is Qatar contributing to the world petroleum industry in terms of the stabilisation of prices and sustainability of supply?

Qatar has been a member of OPEC since the 1960s and we believe that we can continue to make a very positive contribution to OPEC in this regard. Furthermore, we support greater cooperation between petroleum producing and consuming countries. We are particularly pleased to be hosting the IEF forum in Doha which seeks to establish a round table for a producer-consumer dialogue. We expect representatives from more than 60 countries to attend. We believe the traditional confrontation between producing and consuming nations should be part of history. We should look to the future and not waste time blaming each other but instead seek sustainable solutions to ensure security of supply, stability of price and the curtailment of greenhouse gas emissions. We in Qatar feel we can play a very positive role in achieving these objectives and are helping to bring these people together in order to address global challenges with global solutions.

Geopolitical conflict, especially in parts of the Middle East, is seen as a major risk factor in terms of security of supply. How is Qatar helping to maintain stability in the region?

Politics is normal, it's healthy, and you will always encounter political disputes. However, we share common economic interests with our neighbours in the Middle East, which can lead to cooperation and progress towards a more secure future all.

It must be said that despite geopolitical conflicts over the last 60 or 70 years, the Middle East has never had any real difficulties in terms of the continuity of petroleum supply. The Middle East will continue to be the most important region in terms of the supply of petroleum energy with more than 60 per cent of the world's oil resources, and more than 45 per cent of its gas, located in the region. We know how to manage our reserves.

Despite its small geographical size, Qatar is making a very positive effort to help stabilise Middle East issues in terms of diplomacy and hosting international meetings to foster greater dialogue. We are also setting an example in terms of our own country's progress in trade and democratic reform. ■