

Qatar looks forward to big developments as Host Nation

INTERVIEW WITH HIS EXCELLENCY ABDULLAH BIN HAMAD AL-ATTIYAH
DEPUTY PREMIER AND MINISTER OF ENERGY AND INDUSTRY, QATAR



What does it mean to Qatar, and to you personally, to be the host of the 20th World Petroleum Congress?

On behalf of His Highness Sheikh Hamad Bin Khalifa Al Thani, and the people of Qatar, I would like to say how honoured we are to have been selected to host this important global event. It has taken 74 years for the largest petroleum congress in the world to come to the Middle East, where most of the world's oil and gas reserves are located. The 20th World Petroleum Congress, hosted by Qatar, will focus on the petroleum industry's role in delivering reliable, sustainable energy to the global market. I am sure the Congress will be a successful and memorable occasion that will not only celebrate the achievements of the petroleum industry, but also make a valuable contribution to the sharing of information and ideas within the industry.

Looking ahead to the Congress, what do you anticipate will be the major themes for discussion?

The Congress theme – *Energy Solutions for All: Promoting Cooperation, Innovation and Investment* – encompasses a broad range of topics, including the role of gas in the global energy mix, innovations in the supply chain, complementary energy sources and, most importantly, the industry's commitment to sustainability. Given the high calibre of the speakers that will be present at the event, I am sure that even the most experienced industry professional will come away from the Congress having learnt something new.

Qatar is a world leader in GTL and LNG technology. What major developments do you have planned over the next few years?

Qatar is already the number one producer and exporter of LNG in the world and home to the largest and most modern fleet of LNG tankers. At the same time, it continues to be a pioneer in the gas-to-liquids industry, as well as one of the leading suppliers of petrochemicals, fertilisers and other manufactured products and by-products derived from its natural resources.

Qatar is on track to be the world capital of the gas-to-liquids industry and has embraced a number of commercial-scale GTL projects based on various processes developed by the leading technology providers in the world. These clean, low-sulphur products will play a key role in reducing localised emissions in the coming years.

The Oryx GTL project, which commenced operations in mid 2006, will at full capacity use around 330 million cubic feet per day of lean gas to produce 34,000 barrels per day of GTL products. The Qatar Petroleum-Shell Pearl GTL project will at full operation produce around 140,000 barrels

per day of GTL products as well as significant quantities of condensate and LPG. The first stage is expected to come on-stream later this year.

Gas-based petrochemical industries are rapidly expanding with 12 projects under construction and further ventures in the planning stages. The total cost of existing or near completed petrochemical ventures, refineries and metal industries is estimated at over US\$20 billion, some US\$7.04 billion of which has already been spent on expansion plans with around US\$13 billion expected to be spent on ventures planned to be completed and commissioned by the end of this year.

With the global recession and additional gas supply from the US, the LNG business is experiencing some challenges. What is Qatar's strategy for tackling these challenges?

When you are in this business you need to be resilient to external shocks. We manage changing market conditions by diverting our cargoes to take advantage of opportunities in other parts of the world. Today we are the only country with this level of flexibility. Customers need someone to move very quickly. In the 1990s there were cargoes but there were not enough ships. Today we have the ships, we have the cargoes and we are ready to move quicker than anyone.

One of our biggest challenges is the disconnect that exists in some markets between the gas price per BTU and the oil price. Therefore, one of our key challenges is convincing the world of the need for a more equitable pricing of natural gas. Ultimately, this will benefit both producers and consumers by providing a sound investment environment and adequate supplies of gas at fair prices.

Do you expect there to be closer cooperation between gas exporting countries in future?

The Gas Exporting Countries Forum (GECF), with its secretariat now established in Doha, aims at enhancing cooperation amongst producing and consuming countries. Its goal is the exchange of expertise in gas exploration and transportation, and to draw up frameworks for world gas markets. The GECF is not just about cooperation between exporting countries. The founders actively seek the participation of consuming countries in the development of the gas industry.

Long-term energy trends suggest that world natural gas consumption will increase by an average of 1.6 per cent per year from 104 trillion cubic feet in 2006 to 153 trillion cubic feet in 2030. Natural gas will remain a key energy source for industrial sector uses and electricity generation. The industrial sector currently consumes more natural gas than any other and is expected to continue that trend through 2030, when 40 per cent of world natural gas consumption will be for



Qatari engineers examine vessels prior to installation at the Qatar Petroleum/Shell-sponsored Pearl GTL plant, Ras Laffan, Qatar

industrial purposes. In particular, new petrochemical plants are expected to rely increasingly on natural gas as a feedstock.

It is no exaggeration to say that the future of human prosperity depends on how successfully we tackle the challenge of natural gas supply and demand. The industry needs greater mutual support to ensure the uninterrupted supply of energy to the world, and wise and prudent utilisation of our natural resources. In this context, the role of the Gas Exporting Countries Forum is essential.

The talent shortage, particularly of skilled engineers, and a lack of effective training are often mentioned as challenges for the petroleum industry as it ramps up to meet demand. How should this situation be addressed and what is Qatar doing in this regard?

The shortage of qualified manpower is an issue facing the energy industry worldwide. At Qatar Petroleum we have several strategies for ensuring that we have the human resources that we need to keep pace with our ambitious expansion. For example,

we are developing strategic links with the educational institutions within Qatar to increase the number of home-grown engineers and other specialists. This cannot solve the shortfall overnight, but it will build up the knowledge base for the future.

Is Qatar looking into developing any other energy sources?

Qatar recently signed a MOU with the US Department of Energy in the field of renewable and alternative energy science and technology cooperation. The agreement acknowledges the strategic importance of promoting energy security through diverse energy sources and types, improving cooperation in renewable and alternative energy partnerships, economic growth through clean energy, and reducing global greenhouse gas emissions.

Among the joint initiatives we aim to pursue are advances in carbon capture, transportation, and sequestration technologies. We also look forward to opportunities for co-investment in areas such as photovoltaic technologies and co-generation of electricity from the oil production process. □