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**“The GCC: Stable energy supplier to the world”**

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Excellencies, ladies and gentlemen, distinguished guests. I would like to thank His Excellency Sheikh Hamad bin Jassim bin Jabr Al-Thani, Qatar's Prime Minister and Minister of Foreign Affairs for inviting me to address this important event. I would also like to pay tribute to the Brookings Doha Center, which advances high-quality, independent policy analysis and research on the Middle East.

I am here today to speak about global energy markets, and the role of nations in the Gulf Cooperation Council. First, I will look back at some of the progress and achievements witnessed in the region over recent decades, because I believe it is worth reminding ourselves about how far the GCC has come. I will then look at some of the challenges and opportunities facing us today. I will conclude with a few remarks on what the future may hold.

The global energy market has evolved a great deal since my career in the oil industry first started. I think it is fair to say that, during this period, the GCC region has been transformed. It has become a vital energy supplier to the world. Over the past four decades, the GCC countries have accounted for one fifth of crude supplies, producing more than 207 billion barrels. To put this figure in

context, it is more than six times current annual consumption levels for the entire world. This has had a remarkable impact on the nations and people of the GCC. Today, Qatar is the world's largest LNG exporter and has sustained one of the fastest economic growth rates in the world over the past decade. And examples of economic progress exist across the GCC. For decades, GCC energy supplies helped support economic growth in the US and across Europe. Both have witnessed economic growth that, in part, is a result of stable energy supplies from the GCC. We have done the same in Asia, supplying energy to help fuel its increasing growth and prosperity.

Clearly, the international energy industry has become more complex. Oil has retained its central position but, increasingly, gas has become an important dimension. And there has been greater investment in renewable energy supplies. All energy sources are needed if we are to meet the growing demand of the 21<sup>st</sup> century. Of course, this history, as with all history, has been punctuated with conflict and disruption to energy supplies. Yet, in the main, investment and technological progress have continued, enabling ever greater resources to be booked, accessed and exploited for the good of mankind.

One constant over the past 30 years, which I believe is worth recognizing here today, is the GCC's commitment to energy market stability. Countries in the region have, time and again, stepped up to meet global demand, whether this has come from increasing economic growth or because of temporary disruptions to supply. I am sure this approach will continue.

Ladies and gentlemen. This brings me to the second part of my talk: the situation facing us today. As I said, the complexity of the oil market appears to increase exponentially. We see new technology making a difference, more regional and international players, an increasingly broad energy market and greater investments across the world. It is an evolving picture yet, even in this world of change, it strikes me that there remains one constant: population growth. The expanding human population wants, and needs, ever more energy. Indeed, it wants a greater mix of energy supplies than ever before. This is good news. Energy, in whatever form, helps power economic growth and raises standards of living.

It falls to us in the GCC to help meet that demand and I, for one, welcome all new energy sources to the market. I don't think anyone

should fear new supplies when set against increasing global demand. More companies and nations are competing for their slice of the energy pie, that's true. But the pie is getting bigger and there is enough to go around. So I will look at some of the new entrants to the energy market, then discuss the GCC angle.

Ladies and gentlemen. I visited Australia last year and heard about the tremendous developments taking place there, with large investments and a committed approach by its government. Russia, too, has and is making large investments in its Arctic reserves, only recently considered inaccessible. Canada is developing its reserves, as is Brazil, as are others across the Caspian region. Africa, also, is presenting more opportunities and I hope these can be developed for the good of its people. And then there is the US.

New advances in technology have presented the United States with an interesting domestic opportunity. Not long ago, all the talk was of "peak oil". Funny, I don't hear so much about that today. Today, the harbingers of oil scarcity have been replaced by the apostles of plenty. Indeed, after years of declining domestic oil and gas supplies,

production is on the rise with the US potentially becoming a gas exporter. This would have been unthinkable just a few years ago.

Closer to home, the broader GCC energy story is one of increased domestic demand for energy, particularly gas, and increasingly renewables. This does not, and should not, come as a surprise. It is worth reminding people that for many centuries, the people of this region faced incredible deprivations and hardships on account of the harsh environment. I know this from personal experience. Energy has transformed our lives and it has, for the most part, had a remarkably positive impact on the national economies of the region. Of course, being so blessed with natural resources has, naturally, corresponded with a boom in their consumption domestically. But I would say the region has recognized the need to tackle this situation, and I know that nations across the GCC are taking vital measures to address this demand, via efficiency efforts and by investing in renewables.

So while increasing domestic energy usage is not favorable in general, usage that creates real economic value is positive. Gas usage, in particular, is helping spur economic activity in the petrochemical sector, it is adding value, creating jobs and it is helping GCC nations to meet environmental standards. This is a

region that needs to create jobs and opportunities for its people – it is our number one priority – so the prospects presented by gas are good news. In the case of Saudi Arabia, greater gas usage domestically is helping ease demand on liquids, thereby ensuring export capacity. One thing is clear: the GCC will remain a reliable energy partner.

I'd like to say something about Asia. While we're here today in what's referred to as the Middle East, of course we don't see ourselves as east. If anything, we see ourselves as inhabiting the western flank of Asia. It is closer energy ties within this region that help spur development across the GCC and Asia. And it is thanks to Asian demand and GCC energy supplies that our region's combined GDP is at an historic high – and that economic growth remains strong. I would argue that it is shrewd management of resources and the right investment in infrastructure and capability that has helped make this difference. I expect this pattern to continue, even set against turbulence in other Arab nations.

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Ladies and gentlemen. This brings me to the final part of my talk here today: the prospects ahead. Tomorrow brings challenges and

opportunities. It was ever thus. Producing nations are competing for new and old markets. This is healthy; it will help drive efficiency and increase the quality of service. I believe the oil outlook remains strong. I would say that, wouldn't I? Well, yes, but my point is that even in tough global economic conditions, the prospects for energy demand and growth appear positive. Demand for crude oil fluctuates, as always, but it remains robust, particularly considering the circumstances. And demand for LNG, which has doubled over the past decade, could double again by 2020.

If we look at the different regions of the world, demand from Asia remains strong. I was in Hong Kong recently and there seemed to be a tangible sense of optimism about the region's prospects going forward. New players such as Australia will certainly have a greater role on the global energy scene, not least as an LNG supplier to Asia. Canada, too, has experienced something of a boom in its natural resource capacity, and its rising quantities of shale oil and gas for export will have some impact on global markets. Investment opportunities remain in the Arctic region, the Caspian region, in Latin America and of course Africa. And, as discussed, the US will undoubtedly have a greater role to play.



The combined impact of this growing supply and increasing demand will be, I believe, greater economic benefit to the global economy.

More supplies add greater depth to the market. And this depth should bring enhanced stability. At least I hope it does. This business requires long-term investment and long-term planning. Wildly fluctuating energy prices are not in any of our interests – and by that I mean producers and consumers.

I would like to end by reiterating the point I made at the very start of my talk here today. While no one can predict what the future will bring, I can be certain in one key respect. GCC nations will continue to fulfill their role as stable suppliers of energy to world markets. We are working to boost economic growth at home, and we will continue to work with our customers across the world to ensure we meet all demand going forward.

Thank you.