

Unprecedented Development

An Interview with His Excellency Abdullah bin Hamad Al-Attiyah,
Deputy Prime Minister and Minister of Energy and Industry, State of Qatar



H.E. Abdullah bin Hamad Al-Attiyah

EDITORS' NOTE In addition to his current post, which he assumed in 1992, Abdullah bin Hamad Al-Attiyah has held the OPEC chairmanship. He is the Chairman of Qatar Petroleum and its subsidiaries and of Gulf Helicopters and a board member and Chairman of Al-Sadd Sports Club, Board Director of Gulf Air, and Vice Chairman of Qatar Public Telecommunications Corporation (QTel). He is also Chairman of the Qatar Amateur Radio Association and Head of Resources Development and the Expenditure Rationalization Committee. Al-Attiyah started his career with Ministry of the Finance & Petroleum, State of Qatar, in 1972.

Could you summarize how Qatar's energy sector is currently, and will in the future, profoundly impact world energy supplies and markets?

Qatar has witnessed a level of industrial and economic development in recent years that is unprecedented in the region. It is the result of implementing the strategy set by His Highness the Emir, Sheikh Hamad Bin Khalifa Al-Thani, to achieve the optimal utilization of our country's natural resources, proceeding on developing infrastructure, improving the investment climate for the private sector, increasing openness to enhance confidence in the country's economy, and introducing the necessary supporting legislation.

Qatar's strategy for the optimal utilization of its oil and gas reserves to generate wealth for

the development of the country offers plenty of opportunities for foreign investors and the private sector for participation in several projects in partnership with Qatar Petroleum [QP]. An open-door policy was adopted toward foreign companies who could offer state-of-the-art technology, financial capabilities, and marketing outlets in order to achieve our objectives in developing our reserves. During the past 15 years, several production-sharing agreements were signed with international oil companies for the exploration and development of the oil potential, with QP making extensive efforts to increase the recoverable oil reserves. Our success in this effort has been outstanding, with recoverable reserves increasing by 40 percent and sustainable production increasing from around 400,000 bpd in 1991 to more than 800,000 bpd today.

The opportunities in the gas sector are even more considerable. Qatar's North Field is the largest single nonassociated gas field in the world, with estimated reserves of about 900 trillion cubic feet. Qatar is utilizing state-of-the-art technologies in LNG industry and its transport by entering into agreements with major international companies specializing in this technology to set megaproduction projects that surpass similar global projects. As a result, by 2011, Qatari gas will be delivered to all major markets in the U.S., Europe, and Asia, with an approximate capacity of 77 million metric tons, taking Qatar's share in world LNG trade to approximately 30 percent and making it the largest producer in the world.

The strategic importance of the Middle Eastern region in general and Qatar specifically is due to several fundamental factors. The most important of all is the abundant natural resources, such as oil and gas, this region possesses. Since energy is the most important factor behind growth in global economies, the world is likely to become increasingly reliant on the region's vast energy resources.

Over the past several years, Qatar has become the world's largest LNG exporter, and its LNG exports are projected to grow rapidly in coming years. Could you outline the further development plans for Qatar's industrial sector?

Qatar's gas strategy is focused on the development of reserves through projects to export it as liquefied gas or by pipeline to our neighbors in the region to use as feedstock

for fertilizers, petrochemicals, and now in gas-to-liquids [GTL] industries. Utilizing gas for domestic use to meet the growing power demands for industry in Qatar is a very important aspect of our strategic development plans.

In the relatively short history of our gas industry, we were the first producer to build 3.3 million metric tons per annum [MMTA] trains, the first to build 4.7 MMTA trains, and the first to build 7.8 MMTA trains. These innovations will dramatically reduce the unit cost of producing LNG. To further reduce costs, we are developing, with the leading shipbuilders of the world, a new generation of large LNG tankers. Other technical innovations and synergies with existing production trains and facilities are also being introduced and applied whenever possible with the objective of lowering costs, improving reliability, and enhancing the competitiveness of Qatar's LNG.

Over the past few years we have witnessed rapid expansion of the LNG industry, and we are now the largest LNG exporter in the world. With the additional trains now under construction, we will be producing 77 MMTA by 2011.

Through joint venture agreements with many international energy companies, we are establishing some of the world's largest LNG trains at Ras Laffan. By utilizing the latest technology and taking advantage of economy of scale, we are continuously striving to improve efficiency and to reduce production and transportation costs. Our tankers are already taking our LNG to the shores of many different countries.

In the field of gas-to-liquids production, Qatar is the capital of GTL with the opening of Oryx GTL plant in 2006, with a production capacity of 34,000 barrels a day, and the 140,000-barrel-a-day Pearl GTL project now under construction.

Besides LNG and GTL, we are utilizing North Field gas by supplying it through pipelines directly to our customers at home and abroad. Our domestic customers include many established and new projects, such as the power plants and petrochemical and fertilizer producers. Through the Dolphin Project, we are exporting some 2 billion cubic feet of gas daily to the UAE. Our hope is to export gas by pipeline to many other neighboring countries and eventually to link up with a future GCC-wide gas network. ●