



Leading the way

TOGY talks to

HE Mohammad bin Dhaen AL HAMILI
Minister of Energy

Since taking charge of the Ministry of Energy in 2004, HE Mohammad bin Dhaen Al Hamili has seen Abu Dhabi affirm its position as a global energy industry leader. With an academic background in finance and administration, Al Hamili has held influential positions in several key bodies, not least the Abu Dhabi National Oil Company, where he has overseen the steady development of the emirate's oil and gas reserves, which represent 9 percent and 5 percent of the world's total, respectively. ■

The Oil & Gas Year: Given the wealth of changes that are currently shaping the future of Abu Dhabi, can you outline the main themes of Economic Vision 2030 in terms of the energy sector and the effect they will have on the Emirate's oil and gas industry?

HE MOHAMMAD BIN DHAEN AL HAMILI: Under the guidance of HH Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE and Ruler of Abu Dhabi, and HH Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces, the government of Abu Dhabi has published a long-term plan for the transformation of the emirate's economy, including a reduced reliance on the oil sector as a source of economic activity over time and a greater focus on knowledge-based industries in the future. Entitled "Economic Vision 2030," the document provides a comprehensive plan for the diversification of the emirate's economy and a significant increase in non-oil sectors' contributions to GDP by 2030.

Economic Vision 2030 identifies the following as the government's immediate economic priorities: Building an open, efficient, effective and globally integrated business environment; adopting a disciplined fiscal policy that is responsive to economic cycles; establishing a resilient monetary and financial market environment with manageable levels of inflation; driving significant improvement in the efficiency of the labour market; developing a sufficient and resilient infrastructure capable of supporting anticipated economic growth; developing a highly skilled, highly productive work force; and enabling financial markets to become the key financiers of economic sectors and projects.

Economic Vision 2030 will establish a common framework for aligning all policies and plans that contribute to the ongoing develop-

ment of Abu Dhabi's economy. It seeks to create significant opportunities for the local and international private sector in the Emirate of Abu Dhabi, and new employment opportunities for UAE nationals in the future, particularly in highly skilled, knowledge-based, export-oriented sectors.

The UAE's leadership has always been aware of the fact that its oil resources are by no means the property of a sole generation, namely contemporary people, but that they belong to the coming generations too. Accordingly, the people in charge have opted for the implementation of state-of-the-art technology in attainment of cost-effective production and, to increase oil and gas reserves in the UAE. Also, they tended to plan production in response to the global market requirements and in line with OPEC resolutions in terms of quota assignment.

The tremendous development experienced in the UAE oil sector over the past years is indicative of a promising future. It would be built on the significant achievements attained so far and, based on the prospective plans drawn up by oil companies operating in the country.

Since the 1960s, the oil industry has been the main engine of Abu Dhabi's development. Abu Dhabi has invested its revenues to develop key areas of the economy and to provide the services required of a modern society. Crude oil therefore plays a primary role in the development of the local economy, but it also contributes to the vital role Abu Dhabi plays in the wider global economy.

As a result of its oil, Abu Dhabi is a significant global exporter of goods and services, linked to the world's largest economies through trade. The UAE is also a member of OPEC, and plays an important role in safeguarding the stability of oil supply and prices in world markets. Not surprisingly, the primary role oil plays in the

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economy means that GDP growth tends to be overly sensitive to fluctuations in the oil price.

It is essential that Abu Dhabi creates a more sustainable pattern of growth in which it can guarantee healthy economic development over extended periods of time, capable of softening the impact of external factors such as the oil price and other exogenous shocks.

TOGY: *How does Abu Dhabi see its role within OPEC and what has its relationship been with other members? How well have the relations between OPEC member states survived the strain put on them by the financial turbulence of the last couple of years?*

AH: The UAE co-operates with other OPEC member countries to realise OPEC’s mission, which aims to co-ordinate and unify the petroleum policies of member countries and ensure the stabilisation of oil markets in order to se-

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cure an efficient, economic and regular supply of petroleum to consumers, a steady income to producers and a fair return on capital to those investing in the petroleum industry.

As a member of OPEC, the UAE’s oil policy goes beyond the local and national aspects to penetrate global spheres. Through association with other oil producers, it has opted for a co-ordinated approach among producers and consumers to realise common interests sustain stability and secure supplies in the global market. The UAE also tended to plan production in response to the global market requirements.

TOGY: *Abu Dhabi’s oil companies are becoming heavily involved in carbon capture, although the technology is still in its infancy. It is also a central part of Economic Vision 2030. How large a role do you expect, or hope, that carbon capture will play in the future of environmental sustainability in Abu Dhabi, and how large a role might Abu Dhabi play in the development of the technology?*

AH: The UAE is aware that the debate over burning fossil fuels produces CO₂, which is linked to climate change and presents serious challenges and opportunities for the oil industry in UAE. It is believed that these challenges can be met only through technological developments and their application. Therefore UAE tried to be one of the pioneers in carbon capture to be able to meet energy demand while addressing potential issue such as energy security, economic growth and climate change.

TOGY: *Worldwide, the energy sector is suffering from a shortage of the highly skilled personnel that such a capital-intensive, high-risk industry needs. However, Abu Dhabi is taking measures to counteract this, with the establishment of training centres, such as the Petroleum Institute and the Masdar Institute, developed in collaboration with the Massachusetts Institute of Technology. How will these ideas benefit the sector in Abu Dhabi and beyond?*

AH: Both The Petroleum Institute and the Masdar Institute provide a world-class education in engineering and applied sciences in order to support and advance both the petroleum and the broader energy industries. The two institutes are committed to academic excellence and to fostering an intellectual environment that leads to the development of our graduates as whole persons and as the future leaders in their respective fields of expertise in the UAE and beyond. ■

