



H.E. Abdullah Bin Hamad  
AL-ATTIYAH

**R**eputed to be the busiest man in Qatar, the Minister of Energy & Industry, who is also chairman of Qatar Petroleum and several other companies, has guided the country through its most transformative period of oil and gas expansion. Today he is tasked with furthering Qatar's hydrocarbon diversification and broadening its global ambitions.

## The visionary

TOGY talks to

**H.E. Abdullah Bin Hamad AL-ATTIYAH,  
Deputy Premier and Minister of  
Energy & Industry**

**The Oil & Gas Year:** *How has Qatar utilised its hydrocarbon wealth and academic resources to emerge as a world energy hub?*

**H.E. Abdullah Bin Hamad Al-Attiyah:** This is a comprehensive question comprising two important topics, both dear to my heart, namely the strategy of diversification for the utilisation of our hydrocarbon resources and the role of technical and scientific development in such a strategy in the medium and long term.

The oil and gas industry is an internationally competitive business that continuously strives to utilise the latest cutting edge innovative technologies.

Two decades of unabated and unprecedented development of our natural resources, especially North Field gas, has taken such development to the stage of maturity, while our efforts and initiatives in research and development are still in their infancy and we hope to see material and substantial contribution within the coming decade.

Qatar is blessed with an abundance of natural resources especially gas from the North Field, which gives Qatar a strategic importance in the world and the region. Our strategy of diversification of gas use into LNG, regional export pipelines, GTL and local gas for added value petrochemicals and for power generation and water, has paid dividends in terms of maximising the monetisation of our resources.

This is what we have adapted and applied to all the facets of development of our natural resources starting with our reservoir management, field development, and ending with LNG and GTL to name but a few.

Qatar is making history by becoming the leading supplier of LNG to the world. We are the only country that is able so far to sell to three continents at the same time. This could only have hap-

pened with the use of novel and innovative technology of scaling up LNG train size to the giant 7.8 million tonnes per annum (MTA) trains and the building of super LNG tankers, the Q-Flex and Q-Max. The fact that we are in the full chain of the LNG business with the re-gasification terminals in Europe (UK and Italy) and USA has enhanced our position as the world's number one exporter and transporter of LNG.

We are enhancing our achievements for the future through tremendous investment in creation of centres of excellence of technology, science and research and development, including Qatar

*"We will assess the present developments and further study the North Field to ensure the ongoing sustainable development of this precious and massive resource into the future."*

Foundation, Qatar Science and Technology Park. Science and technology will be utilised by many academic and research institutes, universities, major IOC's and Qatar Petroleum for providing support and development for our oil and gas industry, dealing mainly with operational, reservoir, conservation and environmental issues.

**TOGY:** *What is your vision for using Qatar as a central figure in regional energy integration and cooperation?*

**H.E.:** Through the Dolphin Project we are exporting some two billion cubic feet of gas daily to the U.A.E. It was our hope to export gas by pipeline to many other neighbouring countries and to eventually link up with a future GCC-wide gas network, but unfortunately and through no fault of

our own, other pipeline projects did not materialise. However, we have achieved a first in the LNG business by securing mid-term LNG supply agreements with Dubai (the shortest distance ever for LNG transport) to start next year and we are working with Kuwait for a similar supply arrangement planned to start early next decade.

The supply of gas, whether through pipeline or LNG, to the GCC is of strategic importance to us and we shall always pursue strongly such supplies whenever possible.

**TOGY:** *What was the rationale behind the latest extension of the moratorium on new exploration and production in the North Field?*

**H.E.:** We have placed a moratorium on further projects for the time being while several very large projects are being implemented in the field. We will assess the present developments and further study the North Field to ensure the ongoing sustainable development of this precious and massive resource into the future.

No more development deals will be signed until such time when all the current projects under construction are fully operational, with sustained production for many years and comprehensive study of the field. The field may be vast, but it is also finite. And the present generation has a responsibility to use the country's natural resources wisely, for the benefit of present and future generations.

In our opinion, the decision to impose the moratorium on further development in the North Field was as visionary as the first decision taken more than two decades ago to develop the field against all odds.

**TOGY:** *Qatar has expressed interests in forming an organisation composed of gas-producing countries. How do you respond to perceptions that such a group would be the gas equivalent of OPEC?*

**H.E.:** Firstly, let me correct some misapprehension on this issue. The Gas Export Countries Forum (GECF) is not a "gas OPEC" or a "cartel." It is as its name suggests a forum where gas exporting countries can discuss and deliberate issues relating to the world gas industry. Also, it is no surprise that the three big producers/exporters of gas should have a closer relationship by virtue of their role.

Qatar will be the host country of the GECF as was agreed at the last Ministerial meeting in Moscow last December. This should not cause concern for consumers. Producers and consumers both have the right to protect their interests. We are actively working to create understanding between consumers and producers through the GECF.

The GECF is very important because it creates a forum for dialogue and understanding where concerns of any party could be discussed. We are communicating our understandings and giving assurances that we will not act against ourselves or the will of our customers.



**TOGY:** *How critical to Qatar's future is diversification of its energy assets? What are you doing specifically to address this issue?*

H.H. Sheikh Hamad Bin Khalifa AL-THANI, ruler of Qatar, with H.E. Abdullah Bin Hamad AL-ATTIYAH, Deputy Premier and Minister of Energy & Industry

**H.E.:** Qatar's gas strategy is focused on the development of our reserves through such export projects as liquefied gas or by pipeline to our neighbours in the region, to use it as feedstock for fertilisers, petrochemicals and now in GTL industries. Utilising gas for domestic use to meet the growing power demands for industrial use in Qatar is a very important aspect of our strategic development plans.

*"The Gas Export Countries Forum is not a 'gas OPEC' or a cartel."*

Looking back through the relatively short history of our gas industry, Qatar was the first producer to build 3.3 million MTA trains, the first to build 4.7 MTA trains and we are now the first to build 7.8 MTA trains. These innovations have dramatically reduced the unit cost of producing LNG by taking advantage of economy of scale. To further reduce costs we have developed with the leading shipbuilders of the world a new generation of large LNG tankers with Q-Flex and Q-Max. 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 short and long term competitiveness of Qatar's LNG. Our tankers are already taking our LNG to the shores of many different countries.

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 31 MTA. With the additional trains now under construction we will be producing 77 MTA by 2010.

“ When it comes to the long-term strategy of energy security, we should keep all options open even if there is a likelihood that such options might not materialise. ”

Besides LNG and GTL, we are utilising North Field gas by supplying it through pipelines directly to our customers at home and abroad. In terms of diversification we are seeing rapid expansion in those industries that rely on gas as a feedstock such as fertilisers, petrochemicals and aluminium.

The successful strategy in the development of both Ras Laffan and Mesaieed Industrial Cities has been based on partnering with the world's leading companies in their respective industries to develop large-scale “green field” projects which can benefit from ready access to abundant gas supplies. By developing these complementary industries within these industrial cities we've been able to realise economies of scale.

Qatar Petroleum, which manages the two cities, provides first-rate infrastructure and business support. Both cities are home to some of the largest projects of their kind in the world such as the Qatalum aluminium plant at Mesaieed and the massive port expansion at Ras Laffan, which will be the largest exporting facility of its kind. And of course work is continuing on the largest LNG trains ever constructed and the world's largest gas-to-liquid plant, Pearl GTL.

**TOGY:** *How will Qatar use alternative and renewable energy as vehicles for further development and energy independence?*

**H.E.:** When it comes to the long-term strategy of energy security, we should keep all options open even if there is a likelihood that such options might not materialise.

Qatar has begun reassessing the role nuclear energy might play in its domestic energy mix. Traditionally we have not considered nuclear technology an option for obvious reasons. However, the Middle East and North African region is experiencing unprecedented growth in the demand for clean and affordable energy, a vital ingredient for both economic growth and social development.

For both economic and environmental reasons, nuclear power is enjoying something of a global revival at the moment. However, nuclear energy comes with its own set of challenges. Public acceptance, operational safety and waste management are all important issues that must be addressed when considering the construction of a nuclear power facility.

I would like to point out that Qatar has planned its power generation and water desalination requirements extremely well. Which means that all our requirements for electricity and water for many years to come is secured using state-of-the-art power plants fuelled by the cleanest available fuel today, natural gas. Not many countries in the region or the world can claim to be in such a great position in this area.

**TOGY:** *What is your mid-term outlook for major new energy infrastructure projects in Qatar given the low availability of project finance money?*

**H.E.:** A positive aspect of the current situation is that we are beginning to see an end to the era of inflated project costs, be they EPC, services or materials costs, which were witnessed over the past few years. However, the trend for future projects costs is expected to be in line with the earlier pre-inflationary period.

The number of large-scale projects in Qatar and elsewhere in the region to bring new capacity online to meet rapidly growing demand for energy have been met with inflated labour and raw material costs that were already exacerbated by rising costs globally.

Qatar has over the past decade witnessed unprecedented growth in all spheres. This development has put strains on the current infrastructure such as the road network and capacity of the ports, all of which are now being upgraded. The sheer number of projects under construction simultaneously at Ras Laffan and Mesaieed is extraordinary.

Also the demand for skilled and unskilled labour is a challenge not just for Qatar but the energy industry worldwide. We are being proactive with the educational institutions within Qatar to in-

“ In terms of the continued demand for oil and gas, the current downturn is viewed only as a momentary blip when seen over a long period. ”

crease the number of homegrown engineers and other specialists for example. This cannot solve the shortfall overnight in the demands we face now but it will build up the knowledge base going into the future.

Another aspect of our human resources development is the Qatarisation program through which we are training and developing Qatari qualified personnel on different levels and specialities to staff, to operate and manage our projects.

**TOGY:** *Can Qatar seize the global financial situation as an opportunity to flex its economic might? Will it utilise its capital surplus to invest in major new infrastructure, further liberalise its economy and create more incentives to draw foreign direct investment?*

**H.E.:** While the Arabian Gulf is the least affected region according to most experts' opinion, it is nevertheless impacted. It is our responsibility to prudently manage and mitigate adverse impact, if any, on our ongoing development.

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 utilisation of our country's natural resources, proceeding on the development of infrastructure, improving the investment climate for the private sector, increasing openness to enhance confidence in the country's economy and the introduction of the necessary supporting legislation.

Qatar's strategy for the optimal utilisation 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 QP.

An open door policy was adopted towards 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.

I have already covered our achievements in gas development and I must now mention our achievements in the oil sector. Although Qatar has modest oil 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 our 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 barrels of oil per day (bopd) in 1991 to more than 800,000 bopd today.

**TOGY:** *How protected is Qatar from the global financial turmoil?*

**H.E.:** While not immune to the crisis in the global financial markets, under the visionary leadership of His Highness the Emir, Sheikh Hamad Bin Khalifa Al-Thani, Qatar is well placed to weather this storm. On the basis of most available growth projections, Qatar is projected to register a growth of around 10 percent in real terms in 2009. This would make Qatar one of the fastest growing economies in the world this year.

**TOGY:** *What should the energy community worldwide take away from your vision in Qatar?*

**H.E.:** In terms of the continued demand for oil and gas, the current downturn is viewed only as a momentary blip when seen over the long period. Forecasts from the International Energy Agency indicate that over the next two decades demand for energy products will continue to grow steadily. By the year 2030, the fossil fuels will still meet more than 80 percent of the world's energy needs, of which the share of gas is expected to be about 22 percent. This bodes well for Qatar. With its current and planned development of its energy sector, Doha will remain one of the world's major energy centres. All the world's major energy companies, contractors and consultants have a presence in the country.