

Unplanned green push hurts smaller nations, say Qatar, Guyana ministers

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An unplanned push towards green energy transition is hurting smaller nations and consumers, the energy ministers of Qatar and Guyana, two hydrocarbon-dependent economies, have said.

Saad Sherida al-Kaabi, Minister of State for Energy Affairs of Qatar, and Vickram Bharrat, Minister of Natural Resources of Guyana, were speaking at a high-level panel at the India Energy Week in Goa.

“A lot of countries are realising that they can’t achieve these targets, and are taking either a 180-degree turn or are living in that dream of getting re-elected based on that policy. Irresponsibly saying we don’t need fossil fuel is like shooting ourselves in the foot as humanity,” al-Kaabi said while coming down primarily on Western nations. “We talk about renewables as a source of electricity. However, it does not solve the petrochemicals part. The majority of what you see around you above you, the plastics, clothes, and glasses, all come from fossil fuels. Even in an electric car, plastic is on the dashboard,” al-Kaabi said. He stressed that natural gas is going to be needed in the foreseeable

future, and European nations will change their policy of not buying the fuel from Russia, going forward. The minister said that coupled with the pandemic, this stretched available gas supplies and spiked gas prices, which is bad for the market.

“Even as producers of gas, it destroys markets and hurts consumers who would want to be healthy consumers for the long term,” he said.

While Qatar is the world’s largest natural gas exporter, Guyana has become the newest major petroleum-producing country in the world.

In the first 8 months of the current financial year, more than 45 per cent of India’s LNG imports came from Qatar, followed by the United Arab Emirates (UAE) at 14.1 per cent, according to Commerce Department data. Petronet LNG, India’s flagship Liquefied Natural Gas (LNG) terminal-owning company on Tuesday announced a long-term deal to source 7.5 million metric tonnes per annum of LNG from Qatar.

Oil demand vs production

“Some nations are trying to stop oil production when they should be

trying to stop oil demand,” Bharrat said. “If you stop production even as demand exists you are putting pressure on the people of a country such as mine, and those in Africa,” he explained.

Crude reserves were discovered in the South American country’s offshore waters in May 2019.

Beginning production in December 2019, Guyana currently produces 650,000 barrels of oil per day. The country has already activated two Floating Production Storage and Offloading (FPSOs) and will see another two FPSOs in their territorial waters in the next 2-3 years.

“We are well poised to produce 1.2 million barrels per day by 2027. Even when have 10 FPSOs producing 2 million barrels per day we will still be a carbon sink country. Our forests can hold 19.5 giga tonnes of carbon,” he said.

Guyana is the second-most forested nation on the planet, with more than 98 per cent of its land covered by dense vegetation.

Guyana knows the window is closing on oil, and wants to extract as much of it and ship it since no one will put in investments in poorer and smaller nations to become green, Bharrat said. “We believe in the exploration and production of hydrocarbons substantially and using that money to fulfill the aspirations of our people.”

In the first 8 months of FY24, over 45% of India's LNG imports came from Qatar, followed by the UAE at 14.1%