

WPC Special Day at Astana EXPO 2017
Welcome Address by
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Astana, 5th September 2017

Good morning your Excellencies, Friends, Ladies and Gentlemen, and welcome to our WPC Special Day at the Astana EXPO 2017 on “Future Energy”.

Energy is the motor of civilisation and access to energy a basic requirement for sustainable development. With the world population growing and estimated to reach nearly 9 billion people by 2035 we will need all energy sources to ensure sufficient energy for all.

Together with our friends from OPEC and the OPEC Fund for International Development we were delighted to be chosen to represent the global oil and gas sector at the International Organisations Pavilion. We are grateful to our Kazakh National Committee for proposing and supporting us throughout this journey and I am pleased to see you here today on our special day. Participating in the Astana EXPO gives us a great opportunity to demonstrate the important role of oil and gas in providing access to safe, affordable, reliable, sustainable and modern energy.

Oil and gas currently represents just over 50% of the fuel share in today’s world total primary energy supply. Renewables are the fastest growing fuel source, and expected to quadruple over the next 20 years, due to continued gains in competitiveness, but oil and gas are predicted to remain the dominant sources of energy powering the world economy, still accounting for more than half of total energy supplies in 2035.

Oil will continue to play a leading role in the energy mix with demand being driven by fuel for transportation, which it continues to dominate, and feedstock for the chemicals industry. These feedstocks help to make plastics and other advanced materials everyone uses in their daily life.

Natural gas is the largest growing fuel source, providing a quarter of global energy demand by 2040. The abundance and versatility of natural gas is helping the world shift to less carbon-intensive energy for electricity generation while also providing an emerging option as a fuel for certain types of transportation.

Overall, global demand for energy is expected to climb about 25 percent by 2040, and would soar significantly higher – closer to a 100 percent increase – but for anticipated efficiency gains across the economy. Much of this will come from moving people out of energy poverty with nearly 1.3bn people today still not having access to electricity.

Energy for All is one of the major themes here at the “Future Energy” EXPO and an area where the oil and gas sector can play a major role.

The Oil and Gas Industry is in a unique position to use its resources—in particular its technical expertise and knowledge—to develop creative solutions for providing better access to energy and to create opportunities for replicating and scaling up investments in energy access, working together with other stakeholders including development funds, business developers and other industry initiatives, to advance energy access.

As the Oil and Gas Industry has adopted corporate social responsibility as part of its business to address the social challenges of its host communities, there is an increasing focus in addressing energy poverty. This is important particularly in developing countries, where many of our members operate, as access to affordable modern energy is critical to foster local economic development and attain sustainable development.

The World Petroleum Council has partnered with the OPEC Fund for International Development to set up a joint industry initiative to address energy poverty and provide solutions for access to modern energy services for all. The Oil & Gas Industry Energy Access Platform (EAP) showcases practical examples of how the industry can contribute to the achievement of SDG7 on universal energy access through its leadership, technology and much relevant business experience.

We focus our efforts on promoting clean cooking solutions, mini-grids, distribution of off-grid electricity products, such as solar lamps, gas to power for local communities, development of ecosystem and markets and the utilisation of flared gas for energy usage.

We all need to work together to reduce the world’s CO2 emissions and in the oil and gas sector we are at the frontline of these efforts.

Natural gas is an important option to reduce carbon in the electricity generation, but to fully play its role, though, it is important to minimise methane emissions in the production process. WPC is working with the UN and the World Bank to sign up key players to the Global Gas Flaring Reduction Partnership (GGFR). The Oil and Gas Climate Initiative, set up by the industry to help tackle climate change, has also made reducing such emissions a priority in its billion-dollar programme of investment in low emission technologies, including Carbon Capture, Utilization, and Storage technologies which have the potential to turn traditional fuels into zero-emission fuels.

Energy demand is expected to increase about 25 percent from 2015 to 2040. This reflects the large savings that will be due to efficiency improvements in production and output. Without such efficiency improvements, global energy demand would most likely double.

Delivering on the increased demand for energy needs to go hand in hand with finding constructive solutions that mitigate the risk of climate change and keeping below the 2 degree level. This can only be achieved by the continuing shift to less

carbon-intensive energy for power generation and increased energy efficiency in every sector.

Technology is the key and we must leverage the power of innovation and technology to make the use of oil and gas ultra clean and minimize emissions.

In our industry, innovation is a game-changer. Advanced technologies are key to resolving the paradox of providing more energy while curbing emissions. We have seen remarkable falls in the costs of renewable technology. We have seen technology help to drive the shale revolution. And digital technology is now helping us use energy more efficiently in oil and gas production, with super-fast processing, data lakes, real-time feeds and predictive software to maximise production and minimise downtime. Oil and gas producers are also working closely with auto manufacturers to develop ultra clean engine-fuels systems of the future.

Technology is also driving down costs and driving up the use of renewable energy.

It will take all sources of energy to provide affordable, reliable and clean energy for the billions of people seeking to lead a decent life today and in the future and we cannot do that without involving oil and gas while ensuring that it is done as safe, efficiently, and sustainably for our future and the future of our planet.

Thank you for your attention!