

ملخص من جمعية اقتصاديات الطاقة حول أهم ما ورد في العروض والنقاش في الندوة الافتراضية

" تحولات الطاقة العالمية وانعكاسها على الدول المنتجة للبترول "

### SAEE's Takeaways of the webinar

#### " Impact of Global Energy Transition on Oil Producing Countries "

- The energy transition is highly uncertain, non-linear, not uniform and with many paths.
- Historically, it has been energy addition rather than transition
- Discrepancy between ambitions and reality: Legally-binding mid-century net-zero pledges cover only 20% of the world's emissions
- Perceptions and behaviours are shifting faster than actual changes in energy mix
- The risk preferences of the industry and its adaptation strategies are changing.
- Lower for longer E&P capex while cost curves with steep decline rates are making access to capital, materiality, profitability, cash flow & production uplift key
- Oil Exporters face monetization challenges, risk of losing export revenues and changes in perceptions and policies.
- Faster monetization strategies is constrained by low fiscal diversification and by the likelihood that importing nations impose high carbon taxes to capture the rent
- Diversification into hydrocarbons and away from it to build sustainable competitive advantage. Hydrocarbons enjoy higher margins than any new industries or sectors
- Reduced investment flows into the oil and gas sector can cause supply to fall faster than demand resulting in high margins
- Exiting too early from such an established strategic sector deprives the country of an important source of income and key source of competitive advantage
- Oil producers should be part of the energy transition by investing in renewables, adopting CCE framework, invest in CCSU and negotiate a burden sharing approach, integrating the energy sector into the economy.
- International Cooperation in methane reduction and tradable carbon intensity are needed.
- The Kingdom's energy transition is underway: energy efficiency journey, 180 programs on the different Rs of CCE,
- IEA Sustainable Development Scenario-SDS- in 2020 achieves 7 SDG targets while its NZE 2050 in 2021 achieves 3 SDG targets
- Whether to reduce or remove carbon or both depends on the cost curve of each and the maturity of the technology.
- Saudi Arabia leads in low emissions per barrel produced, low methane emission and low gas flaring
- Most of the growth in demand for oil will be in non-combustible uses (petrochemicals)
- Many opportunities available for O&G industry in line with the energy transition of which Saudi Arabia can lead such as blue and green hydrogen and ammonia.