

Oil, gas key to world energy for 'decades to come': Saudi Aramco boss

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Amin al-Nasser, chief executive of state oil company Saudi Aramco, says oil and gas will long remain at the heart of the energy mix, as the transition to renewables will be long and complex

Oil and gas will remain central to the world's supply of energy for decades to come, despite a surge of interest in renewables, the chief executive of giant producer Saudi Aramco Amin Nasser said Monday.

Oil major bosses and energy ministers are meeting at the World Petroleum Congress in Istanbul, with the outlook clouded by low [crude oil prices](#) and exacerbated by the drive towards [renewables](#) which have driven down [investment](#) to record lows.

Nasser stressed the need to ramp up investment in underlining the continuing energy importance of oil and gas.

"Financial investors are shying away from making much needed investment," he said, warning that without higher investment levels "energy transition and energy security may be fatally compromised."

Meanwhile, the decision announced last week by Volvo to phase out petrol-only cars from 2019 in favour of electric has also sent ripples of concern around the industry.

The chief of the Saudi Arabian energy giant said that there is "widespread agreement" that even as the world moves to greater use of renewables over fossil fuels, "petroleum will continue to be the heart of the energy mix."

He said that while "expectations for alternatives are through the roof" history shows that energy transitions to different sources tend to be "long and complex processes".

"The renewables still have major challenges, they do not compete with oil. It takes a long time for new fuels to seize market share," he said, noting that electric cars would also still need time to take off.

With the global economy forecast to grow sharply as populations increase, he said it is a "mistaken assumption that alternatives will be rapidly deployed".

"Rising demand for all sources of energy—with oil and gas at the heart of the mix—will be the reality for decades to come," he said.

Nasser said that despite the clear importance of oil and gas in the future energy mix, the outlook was harmed by the tens of billions lost in deferred and cancelled investment since the current spate of low oil prices began.

The downturn has blown a major hole in the budgets of key OPEC and non-OPEC producers reliant on robust [oil prices](#) for healthy finances.

"New discoveries are also on a major downward trend," Nasser added.

He confirmed that to counter the sliding investment trend, Saudi Aramco plans to invest some \$300 billion in the coming years. The kingdom is also planning to part privatise the [energy](#) behemoth, although Nasser did not refer to this in his speech.

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