

# Norway sees oil in its future despite warnings

June 12 2021, by Pierre-Henry Deshayes

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"We will supply energy to the world as long as the demand exists," Norwegian Petroleum and Energy Minister Tina Bru says.

Norway, Western Europe's biggest oil producer, plans to continue exploration and drilling in coming decades, the government said Friday, despite concerns about its impact on the climate.

In a white book on its energy future, Oslo said it wanted to "extend the [current practice](#) with regular concession cycles on the Norwegian continental shelf to give the industry access to new prospecting zones."

The Norwegian position contrasts sharply with that of the International Energy Agency (IEA), which recently warned that all future fossil fuel projects must be scrapped if the world is to reach net-zero carbon emissions by 2050.

"We will supply energy to the world as long as the demand exists," Petroleum and Energy Minister Tina Bru told a press conference.

"The government will therefore maintain an oil policy that facilitates profitable oil and [gas production](#) in the framework of the Norwegian climate policy and our climate goals," she said.

Keen to present itself as a role model with its efforts to fight deforestation in the tropics and being a world leader in electric car sales, the Scandinavian country aims to reduce its [greenhouse gas emissions](#) by between 50 and 55 percent by 2030, and to almost nothing by 2050.

But it is regularly criticised for the CO<sub>2</sub> emissions generated abroad by the oil it exports.

While Oslo regularly cites the need for a "green transition", it still relies heavily on oil and gas revenues for its public finances, trade balance (accounting for 42 percent of exports of goods), employment (more than 200,000 jobs are either directly or indirectly linked to the sector) and to keep rural Norway populated.

The black gold is also the reason Norway's 5.4 million inhabitants today have the world's biggest sovereign wealth fund, worth a whopping \$1.36 trillion (1.13 trillion euros).

This week, Norway also opened new areas for oil exploration and production of petroleum, despite the IEA warning.

## **'Backtracking'**

Neighbouring Denmark has meanwhile vowed to end all of its oil production in the North Sea by 2050.

"The countries that say that are those that are done" exploiting their oil and gas resources, Prime Minister Erna Solberg retorted on Friday. "It doesn't cost them anything, not a single job."

Norway nonetheless expects oil output to diminish significantly in the coming years.

In its defense, the oil sector argues that its oil is "one of the cleanest", at least in the production stage.

For instance, connecting a growing number of offshore platforms to the land-based electricity grid has made the industry greener, by eliminating the need for onboard diesel generators.

International observers have criticised the Norwegian position however.

"The Norwegian government and industry cannot ignore science," said Sandrine Dixon-Decleve, co-president of international think tank The Club of Rome.

"We look to Norway for leadership and ambition on the energy transition -- not complacency and backtracking," she said in a statement.

The head of climate and [energy](#) issues at the WWF, Manuel Pulgar-Vidal, said that "by standing on the side of fossil fuel interests, Norway

risks having stranded assets.

"Norway's position will increase the risk of the world reaching fragile climate tipping points, which in turn will cause devastating impacts on the [natural world](#) on which we depend," he said.

Not surprisingly, Norway's oil lobby organisation Norsk olje og gass said it was "very happy that the government will keep the main parts of its oil and gas policy."

In 2018, Norway was the world's 14th biggest producer of oil and eighth biggest producer of natural gas, according to data from the US Energy Information Administration.

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