

To save the climate, the oil and gas sector must slash planet-warming operations, report says

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Capuava oil refinery owned by Petrobras sits in Maui, on the outskirts of Sao Paulo, Brazil, Monday, Nov. 6, 2023. The oil and gas sector, one of the major emitters of planet-warming gases, will need a rapid and substantial overhaul for the world to avoid even worse extremes fueled by human-caused climate change, a report Thursday Nov. 23, said. Credit: AP Photo/Andre Penner

The oil and gas sector, one of the major emitters of planet-warming gases, will need a rapid and substantial overhaul for the world to avoid even worse extreme weather events fueled by human-caused climate change, according to [a report](#) released Thursday.

The current investment of \$800 billion a year in the oil and gas sector will need to be cut in half and [greenhouse emissions](#), which result from the burning of [fossil fuels](#) like oil, will need to fall by 60% to give the world a fighting chance to meet its climate goals, the International Energy Agency said. Greenhouse gases go up into the atmosphere and heat the planet, leading to several impacts, including [extreme weather events](#).

The IEA's report comes just ahead of the United Nations climate conference, or COP28, which begins next week. [Oil and gas companies](#), as well as other people and organizations connected to fossil fuels, often attend the meeting, drawing criticism from environmentalists and climate experts. But others say the sector needs to be at the table to discuss how to transition to cleaner energy.

"The oil and gas industry is facing a moment of truth at COP28 in Dubai," said Fatih Birol, executive director of the IEA in a press statement on the report's release. "Oil and gas producers need to make profound decisions about their future place in the global [energy sector](#)."

Last year's climate conference in Egypt saw 400 people connected with fossil fuel industries attending the event, according to an analysis by The Associated Press. The upcoming meeting has also come under fire for appointing the chief of the Abu Dhabi National Oil Company as the talks' president.

The energy sector is responsible for over two-thirds of all human activity-related greenhouse gas emissions, and oil and gas is responsible for about

half of those, according to the IEA. Oil and gas companies are also responsible for over 60% of [methane emissions](#)—a gas that traps about 87 times more heat than [carbon dioxide](#) on a 20-year timescale.

Oil and [gas companies](#) can find alternative revenue from the clean energy economy, including hydrogen and hydrogen-based fuels and carbon capture technologies, the report said. Both clean hydrogen—made from renewable electricity—and carbon capture—which takes carbon dioxide out of the atmosphere—are currently untested at scale.



Vesta Terminals holding oil are reflected in Tallinn, Estonia, Wednesday, Oct. 4, 2023. The oil and gas sector, one of the major emitters of planet-warming gases, will need a rapid and substantial overhaul for the world to avoid even worse extremes fueled by human-caused climate change, a report Thursday, Nov. 23,

said. Credit: AP Photo/Sergei Grits

The report looked at climate promises made by countries as well as a scenario where the world had reached net zero emissions by 2050. It found that if countries deliver on all climate pledges, demand for oil and gas will be 45% lower than today's level by 2050. If the world reaches net zero by then, demand would be down 75%, it said.

Earlier this year, [another IEA report](#) found that the world's oil, gas and coal demand will likely peak by the end of this decade.

Vibhuti Garg, a New Delhi-based energy analyst with the Institute for Energy Economics and Financial Analysis, said that the need for oil and gas is "bound to decline."

"There are cheaper alternatives that are cleaner, so countries will start using those options and reduce their reliance on these expensive fuels," she said.

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