



Maximum energy, minimum emissions

There may be no one-size-fits-all solution to a sustainable energy future, but collaboration and inclusive action will be essential in achieving a just and permanent transition

Haitham Al Ghais
secretary-general, OPEC

Imagine a world without oil and the multitude of essential daily products that are derived from it: gasoline, heating oil, jet fuel, kerosene, toothpaste, deodorant, soap, cameras, computers, car tyres, upholstery, contact lenses, artificial limbs and hearts, many types of medicine and much more.

Essential services that people depend on would vanish, transportation would grind to a halt, many homes would be without heat, people's health would suffer, global food supply chains would be disrupted and energy poverty would rise further. It is a world that does not bear thinking about.

But such an image underscores the importance of a just and sustainable energy transition in which no people, no industry and no country is left behind. The challenges for energy, climate and sustainable development are enormous and this means the parameters of the discourse need to be inclusive. We need every voice at the table, with the G7 playing a vital role.

RISING DEMAND FOR ENERGY

With populations and economies growing, the world will need more energy in the coming decades. In our World Oil Outlook 2022, we forecast that global energy demand will expand by 23% to 2045. Meeting this growth, ensuring energy security and affordable access, and lowering global emissions in line with the Paris Agreement require all

energies, and unprecedented investment and collaboration.

For the oil industry alone, which will make up almost 29% of the world's energy needs by 2045, global investment requirements total \$12.1 trillion between now and then. This equates to more than \$500 billion each year.

Recent annual levels have been significantly below this amount, due to industry downturns, the pandemic and the increasing focus on environmental, social and governance issues.

SUSTAINABILITY AT STAKE

In fact, we believe that not enough investment is going into all energies. To put it simply, the sustainability of the global energy system is at stake.

We are playing catch-up on investments. We need a long-term, investment-friendly climate that works for producers and consumers.

The chronic underinvestment needs to be rectified. It is not about waiting for tomorrow; it is about making it happen today.

OPEC member countries are ready, willing and able to play a key role in helping provide energy to the world and in reducing emissions.

We are investing in upstream and downstream capacity. We are mobilising cleaner technologies and our vast pool of human expertise to help decarbonise the industry. We are making major investments in renewables and hydrogen capacity, carbon capture utilisation and storage, and other technologies, as well as promoting the circular carbon economy to improve overall environmental performance.

History has shown us that energy transitions evolve slowly and have many paths. We also need to remember the sad reality that more than 700 million people still have no access to electricity and 2.4 billion use inefficient and polluting systems.

What can be viewed in energy market turmoil over the past 18 months or so is what can occur if we do not take on board the interwoven complexities of energy.

What is clear is that no one has all the answers. In fact, we may not know all the questions – but that does not mean we cannot take action now.

The overall focus needs to be on emissions reduction and the use of all fuels across the world. In this regard, there is no one-size-fits-all solution to a

HAITHAM AL GHAIS

His Excellency Haitham Al Ghais was appointed OPEC secretary-general on 1 August 2022. In 1991, he served as a diplomatic attaché in Kuwait's Ministry of Foreign Affairs. In 1993, he joined the Kuwait Petroleum Corporation and was appointed deputy managing director for international marketing in 2021. He represented Kuwait on OPEC's board of governors from 2016 to 2021, and in 2017 served as the first chair of the Joint Technical Committee. In 2018–2019, he led Kuwait's team in finalising the Charter of Cooperation between OPEC and non-OPEC countries.

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23%

growth in global energy demand forecast to 2045

29%

of energy needs will be met by the oil industry by 2045

700m

people live without access to electricity

sustainable energy future. What is the right path for one, may not be the right path for another.

COLLABORATION AT THE FORE

We fully support a global, multilateral approach, with collaboration at the fore. We need to work with one another, and not against one another.

We look forward to this year's 28th Conference of the Parties to the United Nations Framework Convention on Climate Change in the United Arab Emirates – an OPEC member – and its championing of an inclusive agenda, with the event undertaking a first global stocktake since the Paris Agreement.

As Dr Sultan Ahmed Al Jaber, president-designate of COP28, has said, we need “maximum energy, minimum emissions”. This is a key takeaway for the G7 leaders when they meet in Hiroshima, as we plan for an orderly energy transition, driven by the challenges of energy security, affordability and sustainability.

As I have noted on many occasions, we hope the future sees investments and finance in the energy transition focusing on an ‘all-peoples, all-fuels and all-technologies’ approach. 🌍