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# Kuwait needs to boost oil reserves, develop fields

'Oil to last 100 yrs'

**AMMAN, March 25, (KUNA): It is vital for Kuwait to boost its oil reserves through floating production and development tenders to play a major role in maintaining balance between supply and demand, a Kuwaiti specialist in oil affairs said in a lecture in Amman.**

Oil Development Company (ODC) Chairman and Managing Director Hashim Mustafa Al-Rifai addressed the Abdulhameed Shoman Symposium Monday night and estimated Kuwait's oil reserves would span 100 years, current production being 2.6 million barrels per day.

Al-Rifai said Kuwait adjusted its investment plans for the next 15 years from USD 40 billion to 64 billion last year, with emphasis on upgrading oil facilities and hiking output to four billion barrels per day by 2020.

**Executing**

GCC states, he said, are planning and executing projects worth almost USD two trillion for the period 2008-2012.

Kuwait Petroleum Corporation (KPC) took serious steps last year, making human resources development a strategic plan, in cooperation with both Schlumberger and Shell. The two companies helped with accelerating development of technical staff capabilities, he said.

Decision makers in Kuwait wasted a decade on discussions on whether to allow foreign operators to participate in developing northern oil fields, Al-Rifai said. The frequent change in oil ministers and the pressures and interventions of MPs in internal workings of the oil companies also foiled reform and attempts to enhance transparency, the expert added.

The major challenge, Al-Rifai said, is to guarantee meeting increase in demand. Global oil demand is expected to go from the current 86 million bpd all the way to 120 million bpd within the next 25 years.

"OPEC producers, and GCC states in particular, would shoulder almost the whole weight in trying to meet the increase in demand," the figure commented. This, he reiterated, requires investment in developing production and hiking output.

**Disproportion**

The specialist pointed out disproportion between population and available energy in the world with 15 percent of the world population possessing some 60 percent of energy, particular electric power resources, while the remaining 85 percent have to make due with the other 40 percent.

He then noted the challenge of finding the right investment opportunities in the area of developing current oil traps and reservoirs and finding new ones. The hike in oil prices had created a problem and limited investment due to increase in costs, he pointed out.

He urged oil producers to allow foreign companies to invest in this area and also noted increased cost of exploration resulted in failure to restore reserves. Major world reserves are seeing significant drop and the best means to face this problem is investment in technology, the figure stressed.

It is crucial to maintain and preserve assets as we seek to meet increased demand and restore reserve levels, the expert remarked. There is a general need for mammoth-scale projects in the fields of oil, gas, petrochemical industry, infrastructure, and energy. Plans and scenarios for such development require USD 704 billion in the United Arab Emirates, 536 billion in Saudi Arabia, 274 billion in Kuwait, 155 billion in Qatar, 33 billion in Iraq, and 27 billion in Bahrain.

Financial cost of oil projects tripled over the last two years and this constitutes a major challenge and threat to giant projects.

Al-Rifai then moved on to actual ability to execute mega-projects, and noted decrease in this regard among contractors despite the great incentives.

A greater challenge yet is human resources. The expert said some 48 percent of the industry's experts and technicians would reach retirement age within ten years, and a greater 72 percent within 15 years. This is the situation in the west as well and the US, for example, needs 1,300 graduates to feed the sector but only gets 600 a year.

Competition to attract expertise and skilled staff is a major challenge and must be put in consideration when planning education, and there is also the lack of technical and administrative training among the sectors' officials, which would have imbued more authority and reliability.

On the challenge of environment related legislation, the figure said these include calls for higher quality products and for investment in alternative energy, as well as pressure to try and channel the industry this way and that, whether in producer countries or beyond.

The figure offered answers and insights in response to questions by the audience, which comprised experts, enthusiasts, and former leaders and ministers in the fields of oil and energy. Also among those present was Kuwait's Charge d'Affaires Essa Al-Shimali.

He noted last years output in the Gulf came to 15.4 billion bpd, going up to 16 million this year, at returns of 400 billion, which is about 1.2 billion a day.

Al-Rifai hailed the role his hosts at the Abdulhameed Shoman Symposium played in promoting cultural and overall awareness and its efforts to provide opportunities for expression of opinions and discussion of views on all issues affecting the world and the region.

He also thanked the Kuwaiti diplomatic mission in Jordan for its efforts to help interaction among Kuwaiti and Jordanian bodies and figures in the political, economic, social, and cultural fields, which bolsters ties between the two people and nations.