

Sheikh Nasser's views on oil and industry

By: Sara Akbar

I was privileged to know and work for Sheikh Nasser al Sabah for the last 3 years of his life. Truly I was super shocked by the personality, depth and thinking of this very unique Kuwaiti in so many ways.

I was working outside of Kuwait and hardly knew much about what was happening in Kuwait, when I was asked to join the planning council in 2017. The most astounding and shocking discovery was knowing Sheikh Nasser. A man of the size of the nation; he was a philosopher, thinker, and true visionary with a deep understanding of all the real issues facing Kuwait and impacting it's future.

He was specifically interested in my knowledge of the two countries Iraq and Iran since I was working in the oil and gas industry in the region for the last 12 years. Also of great interest was my understanding and knowledge of the oil business, the main source of revenue for Kuwait.

He was very keen to develop a strategy for going forward that maximized the use of the oil and gas resources of Kuwait. At the same time implementing Vision 2035, which calls for the diversification of the economy away from oil and gas.

His view on the future of the oil and gas business was crystal clear. He understood that the current value of this finite resource will diminish with time, as a result of the current energy transition strategies that the world is going through. Investments in the renewable sources of energy are moving to surpass oil and gas investments and capital available for the oil and gas sector is becoming very limited, under the pressure of policies implemented by various governments and institutions.

In the US and Europe, governments have set various targets for eliminating the use of oil and gas as fuel for generating electricity. They are also focusing on enhancing the use of modern systems to encourage electricity generation from sources like solar and wind - offshore and onshore.

Sheikh Nasser drew his views from his readings and interaction with futurists who look at the impact of technology on the future of oil and gas in depth. He understood that this was linked to all other aspects of life including urban planning and the types of jobs needed in the future. In one of the sessions, where we were discussing the 4th master plan with the consulting company, he surprised the consultants with his views on the impact of the 4th industrial revolution and the assumptions used in their work. He encouraged the consultants to consider using advanced technology in developing concepts of the plan and shared a paper that described the 4th Industrial Revolution. He requested that the consultants consider developing the concepts of knowledge economy and how it can be weaved in all the future plans for Kuwait.

As for the oil and gas business of Kuwait, he had big issues that he focused on. The first issue was how to maintain the competitiveness of our oil and gas sector. The main strength we have is the low cost of development and production of oil and gas. Unfortunately, over the last few years the costs has been rising to unacceptable levels. He was very keen to cap costs and maintain our competitive edge. He fully understood that one of the main ways to lower costs is to utilize renewable energy in the development of the oil and gas fields and maximizing the utilization of the produced oil and gas for export and product manufacturing.

He called for setting 100% targets for substituting burning fuel for electricity generation with solar and wind - both in the oil fields and generally in Kuwait . He continuously criticized the low targets set by government at 15% and did not see why we can't achieve 100% in a country that has been conducting research for the last 40 years on renewables and has a 90% sunshine in a year.

He could see that the current situation is not sustainable and the whole sustainability agenda is not embraced by government. He was very keen to put practical solutions that are truly sustainable in the implementation plans, including the enhancement of the perchem business that he saw as a savior of the day for the oil and gas.

As for the petrochemical industry, Sheikh Nasser was very clear on how to move forward to maximize the value of the oil and gas. He realized there is more value to be generated from each barrel of oil if it is processed locally and generates more products and chemicals. So he requested that a comprehensive strategy be developed with the main objective being how to expand the petrochemical industry in Kuwait, driven by the private sector rather than the government or, perhaps, joining forces with government companies to develop the industry.

In one of the discussions we had, he noted that even ethanol alcohol, that has many industrial uses, was imported from India. Along the same line, he commented that we import gasoline seasonally as we do not have enough refining capacity to meet local gasoline demand parts of the year. To him this was unacceptable and he believed that the private sector in Kuwait is capable of creating such industries and they should do it together with the government.

So we were in the process of developing a comprehensive strategy on how to enhance the petrochemical industry and put Kuwait on the world map in the field. He advocated that this should not be done solely by government and that there is a big role for the private sector to lead this strategy. But in order to do so the government, as a regulator, needed to put appropriate policy in place to regulate the business and support the industry .