

Gulf energy demand to 'soar 85pc by 2030'

Doha: Tue, 20 Jul 2010



Energy demand in the Gulf has more than doubled in the past 10 years and is forecast to increase by 85 per cent by 2030 compared with 2008 levels, a Wood Mackenzie report said.

An energy demand surge in the Arabian Peninsula will be largely met by oil-fired generation, removing about 1.5 million barrels of oil equivalent per day (boepd) otherwise available for export, Mackenzie's Energy Markets Service Insight division said in the report.

Oil demand will increase by 114 per cent during that time, largely because of the commissioning of 39GW of new oil-fired generation in the region. By 2030, however, fuel diversification through nuclear energy and coal could help free up 1.5 million boepd for world markets.

In the shorter term, oil-producing Gulf nations are being forced to burn oil for power because they do not have enough gas to cope with rising demand, according to a report in our sister newspaper, the Gulf Daily News.

"Sustained rapid energy demand growth could mean that oil exports will become a casualty of the Arabian gas supply crunch," the report said.

The consumption increase stems from plans by Saudi Arabia, Kuwait, the UAE, Qatar and Oman to curb their over-dependence on oil revenues by investing in refining, petrochemicals and aluminium mining and smelting.