

Saudis Have Oil for 140 Years, says Aramco Chief in Brazil

Contributed by Isaura Daniel
Sunday, 08 May 2005

There is no reason to fear a shortage in oil supply. This is what guarantees Abdallah Jum'ah, president of the greatest oil company in the world, Saudi Aramco, who was recently in Brazil to participate at the 3rd Forum of National Oil Companies, together with another 22 companies in the sector, in Rio de Janeiro.

Saudi Aramco is a state owned company from Saudi Arabia which, as well as the Middle East, has operations also in the United States, Greece, Philippines and Korea.

Jum'ah was also in São Paulo, where he held a lecture at the Armando Álvares Penteado University (FAAP). At the lecture to the pupils at FAAP, the executive encouraged the work Brazilians are carrying out in the alternative energies sector.

As well as being the greatest alcohol producer in the world, producing 15.1 billion liters and exporting 1.8 billion liters last year, Brazil is starting to operate a project for the production of biodiesel.

"There a place for alternative energies. All types of energy should be supplied to the world," he said. He stated, however, that the motivation in the search of these new energies should not be the shortage of oil.

"It is not tomorrow that the oil is going to finish, nor in ten years," he affirmed. According to Jum'ah, the current reserves in Saudi Arabia, which are of 261 billion barrels, would allow Saudi Aramco to maintain a production of 15 million barrels per day for at least the next 50 years. That, if new reserves aren't found.

"Whenever you explore your oil, you also find new reserves. And still we have many areas in Saudi Arabia that have not been fully explored. I think that the bottom line is that there is no shortage of oil in Saudi Arabia or in the world", he stated.

According to the executive, in the next 25 years Saudi Arabia expects to reach reserves totaling 460 billion barrels, which could sustain production for another 140 years.

Saudi Aramco has the maximum sustained capacity to produce 10.5 million barrels per day, and produces 9 million barrels daily. Together, the countries in the Middle East hold 70% of the world reserves.

For Jum'ah, the idea of the oil ending is a market game to keep the prices high. "What happens is that there is a low capacity for refining the heavier crudes."

According to the executive, as well as speculation, this and other factors have also contributed to raise the oil prices.

"Also you have geopolitical problems in Iraq, in Venezuela, Nigeria," he states.

Also, the environmental regulations, according to the executive, make things more difficult for refiners, making the commodity more expensive. "They don't have enough money to improve their refining capacities."

In Brazil

In his journey around Brazil, Jum'ah visited the Petrobras facilities and talked to the company's main executives. According to the Saudi Aramco president, however, no kind of agreement or partnership was made.

Petrobras buys about 70,000 barrels of oil per day from Saudi Aramco. "There are areas of common interest where there may be cooperation. We discussed with our friends in Petrobras the opportunities in Brazil, but we have not yet found an opportunity that is good for them and good for us," he affirmed.

Jum'ah was in the offshore fields and also the research center of the state owned Brazilian company. In his lecture at FAAP, Jum'ah said he was impressed with the professionalism at Petrobras.

Before visiting Rio de Janeiro, the executive also travelled to the northern region of the country, in the state of Amazonas.

"I went to the jungle and the Negro and Solimões rivers. I saw how the rivers meet, and its fantastic. Now I know Brazil more," he said. The two rivers concentrate one fifth of all fresh water in the planet.

This was Jum'ah's second journey to Brazil. He also visited the governor of the state of São Paulo, Geraldo Alckmin, and participated in a dinner offered by the Arab Brazilian Chamber of Commerce (CCAB).

According to him, what impressed him the most in the country were the people. "They are very warm, they are very friendly, and when you meet Brazilians its like you are meeting family members," he stated.

Abdallah Jum'ah has been leading Saudi Aramco since 1995. He entered the company in 1968. In 2003 the "Fortune" magazine indicated him as one of the main business leaders in the world.

This year he was chosen by Energy Intelligence, international information agency for the sector, as the main executive in the oil sector in the year. He received a similar title during he World Economic Forum, in January.

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