

Saudi Arabia: The Frontline of Global Energy Security

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Looking backward at the Oil industry in the last 2-3 decades, you can see only one great country called Saudi Arabia playing a strategic role in balancing the global crude supply and demand through a remarkable and a historical strategy called “Excess Capacity”. This strategy allows a country like Saudi Arabia, the largest oil exporter and the 3rd largest oil producer, to play the role of what is called today “Swing Producer”. Swing Producer builds its capabilities to increase its oil production within few weeks in case of any global energy supply interruption, caused by any reason including, technical, unexpected demand increase, safety, security, natural disasters or geopolitics. It also allows it to decrease its production for any reason such as unexpected demand decline, economic recession or supply/demand imbalance. This unmatched strategy is also complemented by a global “Flexible Storage Strategy” where several surface storage facilities are either owned or rented close to the major crude consumers such as Asia, Europe and America. These combined Surface and Subsurface Excess Supply Strategies maximize the global energy security and minimize any energy interruption impact on the global economy, energy access and human prosperity.

Unfortunately, few who give Saudi Arabia the credit it deserves despite of the fact this strategy is extremely costly. It mandates developing fields, drilling wells, constructing pipeline and building facilities that will allow this strategy to be executed in case of any need. The overall cumulative cost of building and maintaining both strategies can be estimated to be several tens of billions \$. There was only one country within OPEC or outside OPEC who always have the capability and the well to pay this extra cost on behalf of the world and play this global crude market stability role. Saudi Arabia has been and will continue to be the first to adjust its production if there is any need to improve the supply demand imbalance or offset any crude supply interruption.

At the same time, you see some biased views published in reputable newspapers talking negatively about this great country, questioning every decision made whether it is economic, social or even political. Most of these articles are driven by emotions, not facts and written by authors knows with their biased views against Saudi Arabia. This week I read an article in the Financial Times (FT) questioning Saudis capabilities to handle the terrorist act that happened against its oil facilities in Abqiaq and Khurais and questioning the Kingdom's leadership decision-making process. Those who listened to the great news during HRH Prince Abdul-Aziz Bi Salman latest press conference can realize that the Kingdom –as always- reply by actions rather

than words, proving with no doubt that its capabilities are beyond any imagination.

Unfortunately, this reputable newspaper allows negative articles, full of unsupported accusations in a way that questions the credibility of this historical newspaper. **The article** did not mention the strategic role of the Kingdom, towards a stable global energy market and uninterrupted oil supplies. It totally ignored the historical and remarkable capabilities of Saudi Aramco and its Saudi engineers in managing the largest global crude reserves with high safety records and unmatched performance in energy efficiency, carbon intensity, environmental protection, regional and international corporate social responsibility, average production cost and aggregate recovery factors.

Unfortunately, this unjustified offense against the Kingdom, Saudi Aramco and the Saudi oil industry is happening at the same time as the largest terrorist attack against the global energy security in the history of mankind. This unjustified terrorist act, affecting almost 6% of the global oil production, must be condemned by all. It is about the time where the entire world must stand together, not only stopping any terrorist act against the global energy security, but also recognizing the Saudi oil industry, its wise leadership and its superior technical and operational capabilities and performance.

