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Opec to continue investing in fossil fuels amid energy transition

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KUALA LUMPUR: The Organisation of the Petroleum Exporting Countries (Opec) will continue to invest in fossil fuel production, despite the growing momentum behind sustainability initiatives and the global energy transition.

Opec secretary-general Haitham Al Ghais said the organisation advocates a more balanced investment strategy to safeguard the stability of energy security and affordability.

"Sometimes we get carried away talking about net zero and energy transition. At Opec, we believe in a balanced approach. We must transition and address climate change, but not at the expense of energy security or affordability.

"One of the key factors we consistently stress is the importance of continued investment, as this is a long-lead-time and capital-intensive industry," he said at a panel session titled "Enabling Asia's Future Energy Ecosystem" at Energy Asia 2025 here yesterday.

Haitham emphasised that Opec is not opposed to renewable energy, although it is often perceived as being at odds with it.

"We do not dismiss renewables. On the contrary, many Opec members are embracing renewable energies. However, we recognise that renewables alone will not suffice. That is why our approach to the energy transitions must be multipath.

"There is no single pathway. We need all sources of energy and technology to complement and support one another, especially those that can help reduce emissions," he said.

According to Haitham, the oil industry requires a staggering US$17.4 trillion (RM73.7 trillion) in investment, or around US$640 billion annually.

"Today, oil still represents 30% of the global energy mix. When combined with gas, this figure rises to about 56% to 57%. In terms of volume, we are seeing oil demand hit a new record each year. This year, we are forecasting oil demand to exceed 104 million barrels a day," he added. – Bernama