



## R&D at OPEC

Posted by [Yankee](#) on August 15, 2005 - 9:24pm

In case you don't read [Environmental Economics](#), you might have missed [this pointer](#) to an article called "[OPEC sees threat from 'alternative energy'](#)".

I have to say, though, that the scant information provided in this article is rather strangely worded.

OPEC plans to establish a research and development institute in an effort to improve oil production technology.

"Our competitors, the alternative energy providers, are intensively pursuing research programs aimed at reducing the domination of oil and gas in the global energy market," Abdullah Salatt, Qatar's representative to OPEC, said. "Likewise, we should have our own independent programs."

It almost seems as if Salatt's statement indicates that like other energy providers, OPEC is also going to start researching alternatives to oil and gas. The opening line of the article, however, reports that the R&D center is going to be dedicated to "improv(ing) oil production technology."

In any case, it looks like OPEC is scared. Maybe this will be a self-fulfilling prophecy? If OPEC thinks Western nations are developing alternative energy on a massive scale, maybe it will actually come true.

Following [a tip](#) from a commenter at Environmental Economics, I looked up Sheik Ahmed Zaki Yamani, who was the former oil minister of Saudi Arabia. OPEC has a history of being worried about technological advances. This [William Grieder article](#) in *The Nation* from 2000 has an interesting quote:

Sheik Ahmed Zaki Yamani, Saudi Arabia's former oil minister and a founding architect of OPEC, already fears this--another round of innovations that drastically reduce gasoline and oil consumption. "Technology is a real enemy for OPEC," Yamani warned in a Reuters interview. "Technology will reduce consumption and increase production from areas outside OPEC. The real victims will be countries like Saudi Arabia with huge reserves which they can do nothing with--the oil will stay in the ground forever."

In light of his feelings, the new OPEC R&D center seems like an especially surprising move, but I guess he's not in charge anymore. Besides, times and circumstances change, and it's becoming

more and more evident that his view of the relationship between technology and consumption simply has not come to pass.

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