

## **[UPDATE] PM: Energy business not dying but changing**

JULIEN NEAVES

TUESDAY 15 SEPTEMBER 2020



A committee of corbeaux gather around a pump jack as if it was a dying animal on Wilson Road in Penal on Tuesday. The Central Bank in its economic bulletin on Tuesday noted decreases in oil production in the second quarter of 2020. - Lincoln Holder

**JULIEN NEAVES AND NARISSA FRASER**

**THE Prime Minister is assuring that TT's energy sector is still very much alive and that Government "will not abandon it overnight."**

**"If the question really is whether we are in a business that is dying the answer is 'no.' The business might change a bit but given the continued need for global energy there will be in the foreseeable**

future some demand for hydrocarbon products, even though the expectation is that that demand will be dampened a bit."

He made the statement Tuesday morning while discussing the return of the Invictus Deep Water Rig and the BHP Broadside Well at a media conference.

He said the covid19 pandemic has caused energy sectors regionally and internationally to "fall upon difficult times," but the drilling of the new well shows TT is continuing to push boundaries.

"We must remain mindful of the shifts (in the sector) and targets of many of our energy companies moving towards carbon neutrality and do our best as the government to lead and support the efforts to become more sustainable." He said "cautious optimism" is necessary, describing the drilling of the new well as a milestone.

"The energy sector is still alive despite what some may say or choose to believe. While we are pushing our boundaries in other areas, we are not going to abandon our energy sector overnight. We must acknowledge our strengths and play to them whilst developing new strengths in other areas.

"I'm sure neither BHP nor the government of TT is going to let years of work and investment go down the drain."

He said TT is approaching the fourth quarter of 2020 and reporting activity now which would have been spawned from activity five to six years ago.

"And you would have heard us talking (today) about blocks being considered for 2026. Well I trust that we are not going to be in a situation to be covid-bound or covid-controlled in 2026."

He said Government is cognizant of the fact there is a changing market for hydrocarbon products and an intention to reduce some consumption or replace it with new energy sources.

"There will be changes moving forward. However notwithstanding all of this the projections are that in the medium term of the decade

and decades ahead that there still will be a hydrocarbon market. And that is why the work we are doing now the product (from it) will find it's way into that market."

He explained the investigative and exploratory work are to replace what is being consumed now in a continuing consumption curve "even if the curve may not be as high this year and maybe next year.

"We anticipate that there will be a hydrocarbon market and we would like to be a supplier to that market however the market falls, even if it may not be the only product being used or the prices may not be the same. But once the market exists some kind of pricing will be there and to do that, to be there in a future market, you have to do all this work now."

Owing to the state of the global energy industry a number of plants at the Point Lisas Industrial Estate were closed.

In March Finance Minister Colm Imbert announced Government would revise its budget oil price estimates of US\$60 per barrel to US\$40 per barrel and natural gas from US\$3 to US\$1.80 per mmbtu. In June during the mid-year budget review Finance Minister Colm Imbert said due to Government's prudent economic management, TT was in a good place despite the dual shocks of lower energy revenues and covid19.

*This story was originally published with the title "Rowley: Govt will not abandon energy sector " and has been adjusted to include additional details. See original post below.*

THE Prime Minister is assuring that TT's energy sector is still very much alive and that government "will not abandon it overnight."

He made the statement Tuesday morning, while discussing the return of the Invictus Deep Water Rig and the BHP Broadside Well at a press conference.

He said the covid19 pandemic has caused energy sectors regionally and internationally to "fall upon difficult times," but the drilling of the new well shows TT is continuing to push boundaries.

"We must remain mindful of the shifts (in the sector) and targets of many of our energy companies moving towards carbon neutrality and do our best as the government to lead and support the efforts to become more sustainable." He said "cautious optimism" is necessary, describing the drilling of the new well as a milestone.

"The energy sector still alive despite what some may say or choose to believe. While we are pushing our boundaries in other areas, we are not going to abandon our energy sector overnight. We must acknowledge our strengths and play to them whilst developing new strengths in other areas.

"I'm sure neither BHP nor the government of TT is going to let years of work and investment go down the drain."