

Khan: T&T energy sector alive and kicking



Energy Minister Franklin Khan delivers an address during the launch of the Petrotrin Land Distribution Programme at the Palo Seco Government Primary School yesterday.

INNISFRANCIS

Despite the challenges in the energy sector due to COVID-19, Energy Minister Franklin Khan says the sector is not dead in Trinidad and Tobago.

Speaking at the launch of the Petrotrin land distribution programme at the Palo Seco Government Primary School yesterday, Khan lashed out at Opposition leader Kamla Persad-Bissessar and other critics who suggested this.

“When the leader of the Opposition states that the energy sector is dead, she is dead to the truth. The energy sector, despite the challenges, is alive and kicking,” he said.

“We are not burying our heads in the sand. We face serious challenges. It baffles me before I go to sleep in the night to understand how can we keep the investments level so high. I thank God for it and our gas production profile, while it is still not where we want it, it is not disastrous and we will hang in there and we will ride through this period of low commodity prices and when we build the future and when we build the economy of the energy sector in 22, 23, 24 and to 25, I think Trinidad will be in a good place.”

He said the impact of the COVID-19 pandemic on domestic upstream companies has been minimal as companies continue to operate.

“The majority of development and exploration activities are on stream and any deferral is for a short time frame. As a consequence, oil and gas production has been maintained at relatively pre-COVID-19 levels,” Khan said.

“Gas production is currently at 3.5 bcf per day and oil production is averaging 57,000 barrels of oil per day. As a matter of fact, in April this year oil production reached 60,000 barrels per day for the first time in 18 months.”

However, Khan said at the petrochemical sector, ammonia and methanol were at their lowest level in years, averaging between US\$200 and 250 per metric tonne.

“Due to the surplus global capacity and the impact of COVID there is significant reduction in the industrial demand for ammonia and methanol, leading to very depressed prices. So we have temporarily shut-in certain plants in Point Lisas, not because we did anything wrong you know, it is because the global demand is so low that prices have reached rock bottom and prices are now below your cost of production.”

He said these plants will be doing maintenance over the next three months and have also retained their staff.

Khan noted that T&T is the only country where Shell and BP have maintained their investment levels. With the general election less than a month away, Khan also warned the population to be wary of fake news and rumours.

Giving an example this, he said he was contacted by a reporter regarding a fake document that claimed Heritage sold 830,000 barrels of crude which left on a Venezuelan vessel. He said the document had a Heritage Petroleum stamp and signature and a CARICOM stamp.

“I got scared when I saw it,” he said, adding, “that is the length that certain operatives will go to discredit T&T, trying to encourage sanctions by the United States of America.”

He said they have also seen positive outcomes with the restructuring of Petrotrin.