
MINISTER: AZERBAIJAN TO CONTINUE ITS ROLE IN GLOBAL ENERGY SYSTEM

-

03.07.2020

MenaFN (2 July 2020)

Azerbaijan is committed to its OPEC+ obligations and will continue to play an active role in the modern global energy system, Azerbaijan's Energy Minister Parviz Shahbazov said in an international conference on "Global Energy and International Political Risks" on July 2.

Speaking about the conditions of instability, uncertainty and complexity in the global energy sector, the minister noted that the countries should be more open to cooperation and innovation both at the national and global levels.

Commenting on instability in the world oil markets, Shahbazov said: "I believe that in this emergency situation, the main mission of the oil-producing countries is to ensure the consistent operation of the OPEC plus format as a sustainable and effective mechanism for fulfilling the commitments made. Stability in the oil market meets the interests of all market participants, and in this regard, I consider it important to further expand the OPEC plus format by attracting other large oil manufacturers. As for the fulfilment of commitments, I believe that the three-month performance of OPEC plus countries, including July, will become the basis for the next steps. Azerbaijan is committed to its obligations and will continue its active role in the modern global energy system.

He emphasized that joint efforts will enable to turn the problems of the unstable energy system into opportunities and achieve positive results in solving actual issues of global energy by responding quickly to ongoing changes.

The minister noted the return to the regulatory mechanism in the OPEC plus format and the adoption of a historic decision in April as one of the first steps in this direction.

He stated that the OPEC plus agreement is currently the only tool to support the market. However, the recession in the global economy and the prolongation of limited economic activity are putting serious pressure on demand. Global daily oil demand fell by 6.4 million barrels in the first quarter, in the second quarter this figure is estimated at over 17 million barrels. The downward trend is expected to weaken in the second half of the year. However, unfortunately, given the environment of uncertainty, it is impossible to say with certainty that demand will fully recover in the near future.

Shahbazov linked Azerbaijan's current position as an energy country with the achievements of the oil strategy, which is the consequence of the resolute will of national leader Heydar Aliyev during

the years of independence. Besides, he noted that with energy projects, the energy policy pursued under the leadership of President Ilham Aliyev contributes to energy security and intercontinental integration, prosperity, an environment of cooperation based on the principle of mutual benefit between states.

Emphasizing the importance of the Southern Gas Corridor as a contribution of this policy, the minister said that the last segment of the Southern Gas Corridor, the TAP which will supply gas to Europe, is nearing completion despite the difficulties caused by the pandemic.

'The Southern Gas Corridor is planned to be fully operational by the end of this year, during the difficult period of the energy sector. The Southern Gas Corridor is a project that promotes the development of the country's gas sector and the establishment of industrial enterprises with increased gas production and ensures sustainable development, noted Shahbazov.

The minister highlighted the fact that gas production in the country is expected to reach 38.2 billion cubic meters (b.c.m) this year and 44.5 billion cubic meters in 2022.

Furthermore, Shahbazov spoke about the process of accelerating energy transformation due to the pandemic. In this regard, he also noted the steps taken to make a breakthrough in the development of renewable energy in the country, as part of the reform process in the energy sector.

"As a positive result of negotiations with international energy companies, without waiting for the adoption of the law, we launched pilot projects with a capacity of 240 MW of wind and 200 MW of solar energy. Preparations are underway to create approximately 1,000 MW of additional capacity to increase the share of renewable energy sources in the country by 30 per cent by 2030," added Shahbazov.

Furthermore, the minister touched upon the role of cooperation with Russia in the development of relations between the two countries.

Shahbazov underlined that Russian companies have invested \$4 billion in Azerbaijan's energy sector as of April 1. 'Currently, 'LUKoil is involved in projects related to the Azerbaijani fuel and energy complex. At the same time, 'Rosneft and 'Gazprom are expected to join the cooperation.

The minister also noted that Azerbaijan and Russia also actively cooperate in the field of oil transit.

'In January-May this year, 990,000 tons of Russian oil was transited via the Baku-Tbilisi-Ceyhan pipeline. During that period, SOCAR exported 33,000 tons of petrochemical products to Russia. Some 53,000 tons of petrochemical products were imported to Azerbaijan from Russia, said Shahbazov.

He stressed that a memorandum on energy cooperation is currently being worked on.

It should be noted that the conference is held by the Valdai International Discussion Club and Azerbaijan's Center of Analysis of International Relations on July 2-3.

<https://menafn.com/1100423502/Minister-Azerbaijan-to-continue-its-role-in-global-energy-system-PHOTO>

Kaynak/Source: