

Sanctions may result in energy shortages: Saudi minister

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Online Desk: Saudi Energy Minister Prince Abdulaziz bin Salman warned on Saturday Western sanctions against Russia could result in a shortage of energy supplies in future. In answer to a question over how trade measures would affect the energy market, Prince Abdulaziz told an industry conference in Riyadh: “All of those so-called sanctions, embargoes, lack of investments, they will convolute into one thing and one thing only, a lack of energy supplies of all kinds when they are most needed”.

The prince also said Saudi Arabia was working to send Liquefied Petroleum Gas (LPG) to Ukraine. LPG is most commonly used as a cooking fuel and in heating. The European Union has imposed a series of sanctions against Russia, reducing Russian energy exports, and other Western powers have also imposed measures as they seek to further limit Moscow’s ability to fund its war in Ukraine.

Asked what lessons had been learnt from energy market dynamics in 2022, Prince Abdulaziz said the most important one was for the rest of the world to “trust OPEC+”. “We are a responsible group of countries, we do take policy issues relevant to energy and oil markets in a total silo and we don’t engage ourselves in political issues,” the prince said.

OPEC+, an alliance that includes members of the Organization of the Petroleum Exporting Countries (OPEC) and others including Russia, agreed last year to cut its production target by 2 million barrels per day, about 2% of world demand, from November until the end of 2023 to support the market. An OPEC+ panel that met last Wednesday endorsed the decision and the main message throughout the meeting was that the group would stay the course until the end of the agreement.