OIL AND NATURAL GAS

26.1 INTRODUCTION

Under the Eighth Development Plan, the energy sector achieved significant progress, having met all its objectives in line with the national strategy, having met all its objectives. Saudi Arabia increased its production capabilities to meet global demand for oil, which grew progressively until mid-2008, when the global financial crisis broke out. In addition, exploration and drilling for natural gas continued, leading to a rise in reserves, especially of non-associated gas. Moreover, natural gas production capacity increased to meet rapidly growing domestic demand; whether as a feedstock for basic industries, or as a fuel for electricity production, water desalination and other industries.

Under the Eighth Development Plan, implementation of integrated projects for oil refining and manufacturing of petrochemical products was launched. In addition, projects to expand the array of locally produced petroleum products were pursued, along with development of strategic facilities for storage of petroleum products. Preparations are underway to implement a number of integrated refinery projects, in partnership with the national and foreign private sectors.

Under the Ninth Development Plan, exploration and prospecting for oil and natural gas will continue, in order to enhance reserves; oil production capacity will be expanded to meet global demand, natural-gas production capacity will be further enhanced to meet growing local demand, with uses directed towards diversification and integration of the industrial base; the array of locally produced petroleum products will be expanded further; and the national-gas network will be further extended to cover more areas and industrial cities.

The Plan also envisages completing the refinery projects that are underway, in addition to new ones. Moreover, the trend towards establishing refinery projects integrated within the system of industrial clusters being developed will be enhanced, as will integration of the national oil industry with the global system by attracting investment opportunities available worldwide and developing strategic partnerships with international oil companies.

Furthermore, through providing the appropriate organizational structure and the legislative, investment and human resources support, the Plan will lay the foundations for developing complementary-energy sources, such as solar and nuclear energy, in order to achieve energy security in the medium and long terms. Within the framework of effective regional and international cooperation and partnership, efforts will be made to develop cleaner uses of oil and natural gas, and protect the environment from pollution in general, and through safe disposal of greenhouse gases, in particular.

This chapter addresses the current conditions of the oil and natural-gas sector examining developments under the Eighth Development Plan. It also reviews the key issues and challenges that must be addressed under the Ninth Development Plan, presents demand forecasts, and highlights the future vision, objectives, policies and targets set for the sector by the Ninth Plan.

26.2 CURRENT CONDITIONS

26.2.1 Exploration and Prospecting for Oil and Gas

Companies operating in the Kingdom (Saudi Aramco and the two companies operating in the Neutral Zone: Aramco Gulf Operations Co., Ltd., and Chevron Saudi Arabia) continued prospecting for oil and gas in various regions, which resulted in discovery of oil, gas and condensate in a number of fields. As a result, the level of proven reserves of crude oil, which amounted in 2008 to about 264.1 billion barrels, was maintained, and reserves of natural gas increased from about 241.2 trillion cubic feet in 2004 to about 267.3 trillion cubic feet in 2008, an average annual growth rate of 2.6%. Under the Plan, extracted natural gas amounted to 12.4 trillion cubic feet. With the discovery of 14 new fields (6 of oil and 8 of gas) over the period from

2004 to 2007, the number of oil and gas fields discovered by Saudi Aramco by the end of 2007 was 105.

Since natural gas is less expensive and less polluting to the environment, there has been rapidly growing demand for it, whether as a feedstock for basic industries, or as a fuel for electricity production, water desalination, and other industries. In response, exploration activities concentrated over the past years on the search for non-associated natural gas deposits. Indeed, the National Gas Strategy aims to use non-associated gas to complement associated gas in meeting demand, as well as to provide flexibility in managing production of crude oil, since production of associated gas is linked to that of crude oil.

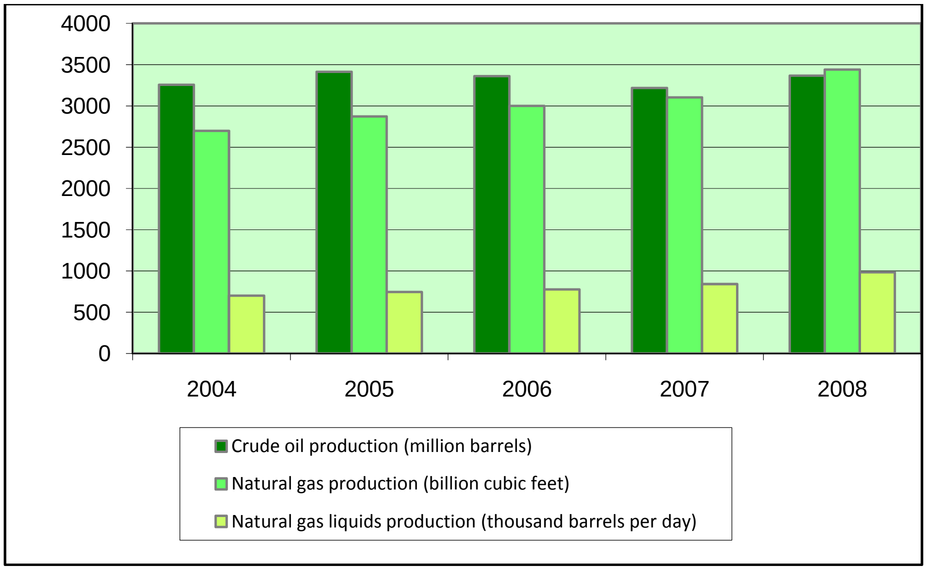
Exploration of non-associated gas reservoirs is concentrated in a number of regions, including: the Empty Quarter, the territorial waters in the Arabian Gulf, and the areas adjacent to the Ghawar oil field, in addition to the northwestern parts of the Kingdom. However, the Saudi gas initiative has four companies prospecting for non-associated gas in eastern southeastern parts of the country.

26.2.2 Production of Oil and Gas

Over the first four years of the Eighth Development Plan, crude-oil production grew at an annual average rate of 0.8%, rising from about 3.3 billion barrels in 2004 to about 3.4 billion barrels in 2008, or the equivalent of 9.2 million barrels per day (Figure 26.1). In 2008, the share of the Kingdom in total crude-oil production of OPEC was 29.5%. A number of projects to increase crude-oil production capacity were implemented under the Eighth Plan.

Natural gas production increased from about 2.7 trillion cubic feet in 2004 to about 3.4 trillion cubic feet in 2008, an average annual growth rate of 5.9%. In response to growing demand in the local market, production of natural gas liquids grew over the same period from 701.4 thousand barrels per day to 984 thousand barrels per day, an average annual growth rate of 8.8%. Production of natural gas liquids is accompanied with production of oil and gas, particularly associated gas. Over the period, efforts to expand gas-processing capabilities continued, with the building of two processing plants with a total capacity of 350 thousand barrels per day, in addition to expanding the capacity of existing processing facilities.

Figure 26.1
Production of Oil and Natural Gas
Eighth Development Plan*



* Up to the end of the fourth year of the Eighth Development Plan.
Source: Ministry of Petroleum and Mineral Resources.

26.2.3 Refining and Distribution Capacity

Under the Eighth Plan, the total refining capacity of the seven refineries in the Kingdom amounted to about 2.1 million barrels per day, while the refining capacity of overseas refineries that are partly owned by Saudi Aramco amounted by the end of 2008 to about two million barrels per day. In an effort to increase economic returns and added value of oil resources, Aramco's investment plan aims to raise domestic refining capacity and invest in foreign markets to increase refining capacity.

Over the first four years of the Plan, total production of local refineries amounted to 1.97 million barrels per day, without significant change. The relative distribution of refined products did not significantly change either (Table 26.1). However, it is important to note that these figures do not reflect targeted refining capacity additions, which will impact production volumes over the next few years (Box 26.1).

Existing refineries have undergone development, especially their production structures, in order to increase the share of light products, for which there is an increasing demand in global markets. Saudi Aramco continued to develop its refineries to produce greater amounts of high-quality products, operating two units for hydrogen treatment of diesel oil, and the unit for producing benzene by isomerization, in addition to offering 91-octane gasoline in all parts of the Kingdom in 2007.

Table 26.1
Domestic Production of Refined Products
Eighth Development Plan*

(Thousand barrels per day)

Description	2004	2008	Average Annual Growth Rate (%)	Relative Share	
				2004	2008
Liquefied Petroleum Gas	36.6	31.0	–4.1	2.0	1.6
Naphtha	225.5	209.9	–1.8	11.8	10.6
Jet Fuel and Kerosene	183.0	190.9	1.1	9.6	9.6
Gasoline	317.1	339.8	1.7	16.6	17.2
Diesel	641.8	677.9	1.4	33.7	34.3
Fuel Oil	472.1	477.8	0.3	24.7	24.2
Asphalt	31.4	49.2	11.9	1.6	2.5
Total Production	**1907.5**	**1976.3**	**0.9**	**100.0**	**100.0**

* Up to the end of the fourth year of the Eighth Development Plan.

Source: Ministry of Petroleum and Mineral Resources.

Box 26.1: Domestic Refining Projects Underway

- Building a joint refinery between Saudi Aramco and Total of France, with a capacity of 400 thousand barrels per day for export. 30% of the shares of the project will be offered for public subscription within the context of the privatization strategy approved by the State.
- Building a joint refinery between Saudi Aramco and Conoco Phillips of America, with a capacity of 400 thousand barrels per day. 30% of the shares of the project will be offered for public subscription
- In 2005, Aramco, in partnership with Sumitomo Chemical of Japan, established Petro Rabigh to develop the Rabigh Refinery and build a facility for integrated oil refining and petrochemical production. This company was turned into a Saudi joint stock company in 2007 upon offering 25% of its shares for public subscription.
- Within the framework of the National Strategy for Oil and Gas, the Ministry of Petroleum and Mineral Resources opened the way for investment in building, owning and operating oil refineries. An export refinery is expected to be built in the Jazan region.

26.2.4 Domestic Demand

In 2009, total domestic consumption of energy was about 2.97 million barrels of oil equivalent per day, compared with 2.06 million barrels per day in 2004, an average annual growth rate of 7.7 % (Table 26.2). The high growth rates of consumption are attributed to the boom in the national economy, stability of domestic prices of energy products, and a continued trend of domestic investment, especially in industry, targeting energy-intensive activities.

Table 26.2
Domestic Energy Consumption
Eighth Development Plan
(Thousand barrels of oil equivalent per day)

Year	Refined Products		Crude Oil for Direct Use		Natural Gas (Fuel Only)		Total Consumption
	Quantity	Share (%)	Quantity	Share (%)	Quantity	Share (%)	
2004	1162.9	56.6	145.3	7.1	747.5	36.3	2055.7
2005	1196.8	55.5	171.2	7.9	788.2	36.6	2156.2
2006	1284.9	56.5	164.3	7.2	826.5	36.3	2275.7
2007	1399.4	57.9	184.2	7.6	831.9	34.5	2415.5
2008	1546.0	56.2	292.5	10.7	910.6	33.1	2749.1
2009*	1667.4	56.1	363.1	12.2	942.1	31.7	2972.6
Average Annual Growth rate of Consumption (%)	**7.5**		**20.1**		**4.7**		**7.7**

* Preliminary data.

Source: Ministry of Petroleum and Mineral Resources.

Over the years of the Eighth Plan, direct consumption of crude oil grew by about 20.1% on average per annum, raising its share of total energy consumption from 7.1% in 2004 to 12.2% in 2009. This increase was primarily at the expense of natural gas consumption, and to a lesser extent at the expense of consumption of refined products, with the share of natural gas consumption declining from 36.3% to 31.7%, and the share of refined products decreasing slightly from 56.6% to 56.1%.

Under the Eighth Plan, the structure of consumption of energy products changed as demand for natural gas as a feedstock in industry grew constantly, which strengthened demand for substitute fuels. Moreover, unavailability of natural gas in some regions of the Kingdom, makes crude oil the preferred choice for use in generating electricity. Notably, total consumption of natural gas over the period, as fuel and as a feedstock, grew at an average annual rate of 15.4% as a result of growing industrial use (Table 26.3).

Table 26.3
Domestic Consumption of Natural Gas and Liquids
Eighth Development Plan*

	2004	2008	Average Annual Growth Rate (%)	Relative Share (%)	
				2004	2008
Sale gas (million standard cubic feet per day)	4740	6081	6.4	100.0	100.0
- Industry	1488	2026	8.0	31.4	33.3
- Electricity and water	2638	2994	3.2	55.6	49.2
- Oil and Gas	614	1061	14.7	13.0	17.5
Ethane (million standard cubic feet per day)	550	822	10.6	100.0	100.0
- Industry	490	822	13.8	89.1	100.0
- Electricity and water	38	0	0.0	6.9	0.0
- Oil and Gas	22	0	0.0	4.0	0.0
Natural gas liquids (Thousand barrels per day)	256	454	15.4	100.0	100.0
- Industry	256	454	15.4	100.0	100.0

* Up to the end of the fourth year of the Eighth Development Plan.

Source: Ministry of Petroleum and Mineral Resources.

Domestic consumption of refined products increased from around 1.16 million barrels per day in 2004 to about 1.55 million barrels per day in 2008, and then to approximately 1.7 million barrels per day in 2009, average annual growth rate of 7.5%. Consumption of gasoline grew at an average annual rate of 7.3%, diesel and gas fuel at about 7.2%, and heavy fuel oil at about 8.9%. In contrast, consumption of liquid petroleum gas grew at 3% only, and jet fuel and kerosene at about 3.8% (Table 26.4).

Table 26.4
Domestic Consumption of Refined Products
Eighth Development Plan*

	Thousand Barrels per Day		Average Annual Growth Rate (%)	Relative Share (%)	
	2004	2009**		2004	2009
Refined products	1162.9	1667.4	7.5	100.0	100.0
Liquified Petroleum Gas (LPG)	32.1	37.3	3.0	2.8	2.2
Jet Fuel and Kerosene	55.5	66.8	3.8	4.8	4.0
Gasoline	277.8	395.3	7.3	23.9	23.7
Diesel and Fuel Gas	431.7	611.3	7.2	37.1	36.7
Fuel Oil	328.6	500.6	8.9	28.2	30.0
Asphalt and others	37.2	56.1	8.6	3.2	3.4

* Up to the end of the fourth year of the Eighth Development Plan.

** Preliminary data.

Source: Ministry of Petroleum and Mineral Resources.

Over the period of the Plan, the capacity of several facilities for refined products was increased, including building a pumping station for the Dhahran-Riyadh pipeline, in addition to expansion of several reservoirs of petroleum products in various regions of the Kingdom. Moreover, the pipeline network was extended as work continued on supplying natural gas to industrial cities, with building a gas network in the second industrial city in Riyadh, serving 42 factories, and extending the gas network to the second industrial city in Dammam, serving about 30 factories. In addition, building a gas network in the industrial city of Yanbu is underway to serve about 25 factories. In furtherance of this trend, in 2008, two licences were given: the first to build a pipeline to transport ethane from Yanbu to Rabigh to supply the Rabigh

Petrochemicals Project, and the second to build a pipeline to transport butane gas from Aramco plants in Yanbu to Rabigh Petrochemicals Project.

As for shipping of petroleum products overseas, in 2007, Vela International Marine Limited, a subsidiary of Saudi Aramco, transported about 678 million barrels of crude oil to world markets and about 178 million barrels for domestic consumption. Over the period of the Eighth Development Plan, the company added four tankers to its fleet, and signed contracts for building six large-size, double-body crude-oil tankers, which are scheduled for delivery before the end of the Eighth Development Plan. Thus the fleet size of Vela is expected to be by the end of the Plan 30 large and medium-sized tankers.

26.2.5 Conservation and Rationalization of Use of Energy Resources

Clear criteria for allocating natural gas products were established in 2005, the first year of the Eighth Development Plan. In addition to the economic feasibility of the projects using gas, these criteria include the level of integration of the projects concerned in the value chain, their forward and backward economic linkages, and their contribution to the provision of job opportunities to Saudis. Adoption of these criteria enabled the Kingdom to succeed in maintaining the highest rates of effective utilization of natural gas.

Under the Eighth Development Plan, there was no change in the level or structure of domestic prices of natural gas and refined products.

26.2.6 Environmental Protection

Companies operating in the oil and gas sector fall under the general environmental system, which sets environmental standards that companies must abide by. These require companies to study and evaluate the environmental impact of any project and offer plans to rehabilitate the environment after the activity ends. Companies are also committed to recycling industrial waste or processing it for safe disposal. Safeguarding of freshwater resources from pollution and conserving their use in the oil and gas industry is one of the first priorities of the sector.

26.3 ISSUES AND CHALLENGES

26.3.1 Domestic Refining Capacity

Even though the Eighth Plan sought to increase the value added of crude oil by increasing the refining capacity to the maximum extent possible, the capacity of local refineries has not changed significantly. This calls for promoting investment to increase the capacity of refining, transport and distribution facilities; and expanding existing refineries and building new ones; as well as building more export-oriented refineries.

26.3.2 Energy Facilities in the Regions

Balanced regional development requires providing the various energy sources needed by the productive activities of industry, agriculture and services. Some regions still lack refining facilities and natural-gas supplies. The refinery to be built in the Jazan region is a step in the right direction. However, similar projects need to be implemented in other regions where economically and environmentally feasible. The measures aimed at improving the investment environment and stimulating investment in the regions and other policies adopted by the Ninth Plan to promote balanced development should help address this issue.

26.3.3 Indigenising Energy Industry Technologies

Transfer, indigenisation and generation of oil-industry technologies lie in engineering design and consulting activities. Hence, it is important to develop this activity by supporting formation of private or joint companies to provide engineering and consulting services to projects in oil, gas, petrochemical, electric power, and water desalination; not only in the Kingdom, but also in the Gulf region and the Arab World.

26.3.4 The Environmental and Technological Challenge

Intensifying efforts to maintain the stability of the oil industry and the efficiency of its market in the long run is crucially important, since, given the large reserves of oil; it constitutes the comparative advantage of the Kingdom. Fossil energy in general, and oil in particular, faces claims of negative environmental impacts, particularly with regard to global warming caused by carbon dioxide and methane emissions. Global interest in this issue, and demands to reduce consumption of fossil fuels (oil and coal), have escalated. This requires of the Kingdom that it enhances its efforts to contribute to the development of means for safe disposal of carbon dioxide.

The other main future challenge to oil is alternative and renewable energy technologies that are sought to substitute for oil, especially in the transport sector; most notably fuel-cell technologies, and coal gasification technologies. To counter these potential developments, it is in the interest of the Kingdom to contribute to the development of environmentally friendly technologies based on oil and natural gas.

26.3.5 New Sources of Energy

Despite the abundance of crude oil and natural gas, which can be relied upon for a long time to come, the Kingdom needs to start developing future complementary energy sources to ensure energy security, which requires material, technical and human resources to meet the challenges at stake.

Given current state of technology, two sources stand out: solar, and nuclear energy. However, nuclear energy is probably the best option for providing an important share of the energy needs of the Kingdom, which requires establishing the infrastructure and the legislative and education systems needed to pave the way for entry into this field, so that the Kingdom can begin building its first nuclear power plant within the next decade.

26.4 DOMESTIC DEMAND FORECASTS

Domestic consumption of energy is expected to continue to grow, supported by continued economic growth, and stability of domestic prices over the coming period. The volume of domestic consumption will be influenced by a variety of factors, most notably: growth in natural gas production and its availability in various regions of the Kingdom, growth in domestic refining capacities, the nature of the expansion of electricity generating capacity, and developments pertaining to the level and structure of domestic prices for energy products.

Domestic consumption of primary energy is expected to rise from about 3 million barrels per day in 2009 to about 4 million barrels per day in 2014, an average annual growth rate of 6.5%, compared with a forecast average annual growth of GDP of about 5.2% over the same period. The forecasts in Table 26.5 represent upper limits, since they do not take into account the impact of conservation measures proposed by the Ninth Development Plan.

Table 26.5
Domestic Energy Consumption
Ninth Development Plan

(Thousand barrels per day)

Year	Refined Products		Crude Oil for Direct Use		Natural Gas (Fuel only)		Total Consumption
	Quantity	Share (%)	Quantity	Share (%)	Quantity	Share (%)	
2009	1667.4	56.1	363.1	12.2	942.1	31.7	2972.6
2010	1827.4	56.8	403.0	12.5	988.5	30.7	3218.9
2011	1986.4	55.2	540.7	15.0	1075.0	29.8	3602.1
2012	2110.0	54.9	569.9	14.9	1161.1	30.2	3841.0
2013	2191.7	55.5	583.3	14.8	1171.5	29.7	3946.5
2014	2269.5	55.6	624.5	15.3	1186.8	29.1	4080.8
Average Annual Growth Rate under the Plan (%)	**6.4**		**11.5**		**4.7**		**6.5**

Source: Ministry of Petroleum and Mineral Resources.

The share of refined products in total domestic consumption of energy is expected to stabilize at about 56%, with its consumption growing at an average annual rate of 6.4%, compared with a rise of the share of crude oil for direct use from about 12.2% to 15.3% over the period, with its consumption rising at an average annual growth rate of 11.5%; while the share of natural gas in energy consumption is expected to decline from about 31.7% to about 29.1%, with its consumption rising at an average annual rate of about 4.7%.

Demand for natural gas products for use as fuel or as a feedstock in industry, such as sales gas, ethane, and natural gas liquids, is expected to grow at an average annual rate of 4.3%, 2.0% and 8.6%, respectively, over the period of the Plan (Table 26.6). The bulk of the sales gas will be used as fuel in the electricity, water, oil and gas, and manufacturing sectors, while consumption of methane and natural gas liquids will be limited to the manufacturing sector as feedstock.

Table 26.6
Domestic Consumption of Natural Gas and Liquids
Ninth Development Plan

Description	2009	2010	2011	2012	2013	2014	Average Annual Growth Rate under the Plan
Sales gas (million standard cubic feet per day)							
Industry	2139	2261	2349	2422	2396	2422	2.5
Electricity and water	2970	3125	3520	3797	3858	3921	5.7
Oil and gas	1193	1226	1255	1412	1414	1425	3.6
Total sales gas	6302	6612	7124	7631	7668	7768	4.3
Ethane (million standard cubic feet per day)							
Industry	939	980	1007	1025	1037	1039	2.0
Natural gas liquids (thousand barrels per day)							
Industry	534	610	698	792	784	807	8.6

Source: Ministry of Petroleum and Mineral Resources.

In terms of structural development of consumption of petroleum products under the Ninth Development Plan, heavy fuel oil is expected to increase its share, especially in the electric power and water desalination sectors, from about 30% to about 36.3%, compared with a decline in the share of diesel and gas fuel from about 36.7% to about 33.0%, and that of gasoline from about 23.7% to about 22.1%, and of jet fuel and kerosene from about 4% to about 3.7% (Table 26.7).

Table 26.7
Domestic Consumption of Refined Products
Ninth Development Plan

(Thousand barrels per day)

Description	2009	2014	Average Annual Growth Rate under the Plan	Relative Share (%)	
				2009	2014
LPG	37.3	43.8	3.3	2.2	1.9
Jet Fuel and Kerosene	66.8	83.1	4.5	4.0	3.7
Gasoline	395.3	500.7	4.8	23.7	22.1
Diesel and Gas Fuel	611.3	749.1	4.1	36.7	33.0
Heavy Fuel Oil	500.6	824.1	10.5	30.0	36.3
Asphalt and other	56.1	68.7	4.1	3.4	3.0
Total	**1667.4**	**2269.5**	**6.4**	**100.0**	**100.0**

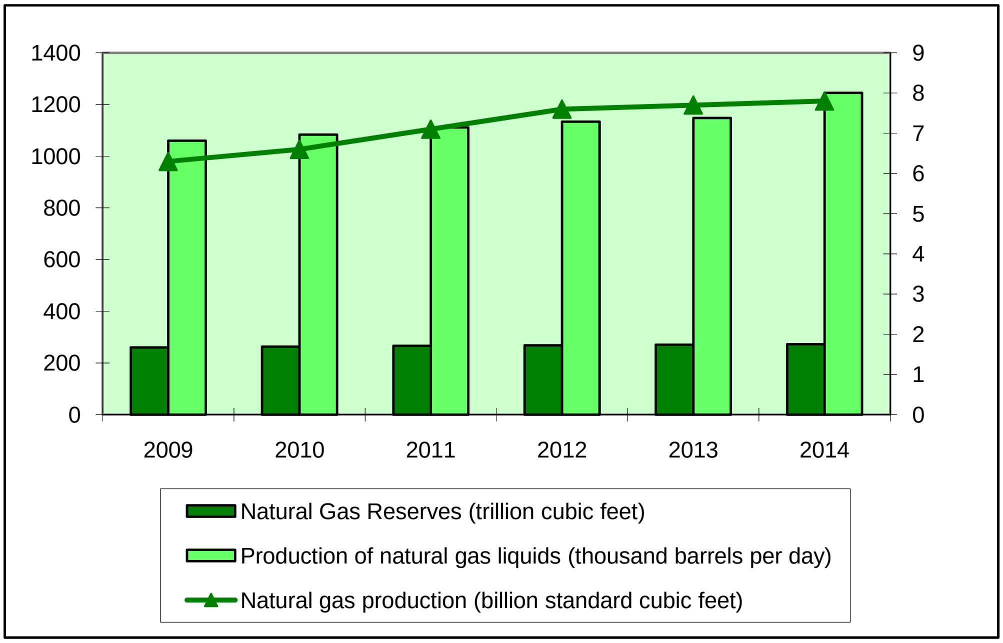
Source: Ministry of Petroleum and Mineral Resources.

26.5 DOMESTIC PRODUCTION FORECASTS

The Kingdom will pursue plans to develop crude oil and natural gas reserves, by offering new areas for exploration and drilling. The crude-oil production capacity is expected to increase to about 12.5 million barrels per day.

Enhancement of proven natural-gas reserves and development of its production capacities are expected to continue, especially for non-associated gas, through a partnership with the national and foreign private sectors, in order to meet growing demand for it as a fuel and for industrial purposes. In contrast, natural-gas production is expected to increase at an average annual rate of 4.4%, from 6.3 to 7.8 billion cubic feet over the same period, while production of natural gas liquids is expected to grow at an annual average rate of 3.3%, from 1,060 to 1,245 thousand barrels per day (Figure 26.2).

Figure 26.2
Forecast of Production of Natural Gas and Liquids
Ninth Development Plan



Source: Ministry of Petroleum and Mineral Resources.

26.6 DEVELOPMENT STRATEGY

26.6.1 Future Vision

A highly efficient oil industry on an equal footing with the global industry, enjoying a distinguished international presence, and a domestic market for energy products characterized by complementality competition, supporting the comparative advantage of the national economy, safeguarding the environment from pollution, and contributing to the conservation and preservation and sustainability of natural resources; and a fundamental role for renewable energy, such as solar energy, with a complementary role for other energy resources, such as nuclear, biological and hydrogen energy, to meet the long-term needs of the Kingdom; and a high level of integration into the regional and global energy system.

26.6.2 Objectives

- Conserving the oil resources and rationalising its use and expanding industries that are based on it.
- Maximizing the economic and social returns of energy resources.
- Increasing energy consumption efficiency and promoting its uses in the domestic market.
- Protecting the environment from pollution and conserving its resources.
- Developing sustainable sources of energy.

26.6.3 Policies

- Using the best means technically, economically and environmentally to produce oil and develop its reserves.
- Optimally exploiting natural gas and developing its reserves.
- Rationalising consumption of oil products.
- Maintaining the share of oil in global energy consumption and the position of the Kingdom in the world market.
- Increasing refining capacity locally and abroad.
- Achieving optimum complementarity between the oil refining industry and the petrochemical industry.
- Providing energy products to all sectors in all regions of the Kingdom.
- Enhancing competition in the domestic energy market.
- Subjecting all oil and gas industry processes to adopted environmental systems and regulations.
- Providing the domestic market with clean oil products.

- Giving due attention to global environmental issues and to the requirements of regional and international conventions.
- Providing physical, regulatory, legislative and human resources requirements for developing use of solar and nuclear energy in electricity production and water desalination.

26.6.4 Targets

- Substituting the quantities of oil and natural gas produced to meet demand.
- Adding new refining capacity for oil to meet demand.
- Engaging in viable refining and marketing projects in the global markets.
- Achieving full coverage by the distribution network of oil products.
- Developing a competitive market in the natural-gas industry.
- Achieving comprehensive coverage for the natural-gas network in the Kingdom.
- Including environmental impacts assessment in studies of oil installations and facilities.
- Developing an integrated oil and natural-gas technologies R&D programme.

The following are also expected to be achieved during period of the Plan:

- Growth of domestic consumption of energy at an average annual rate of 6.5%.
- Growth of domestic consumption of refined products at an average annual rate of 6.4%.
- Growth of domestic consumption of natural gas at an average annual rate of 4.7%.
- Growth of domestic consumption of crude oil for direct use at an average annual rate of 11.5%.

26.7 FINANCIAL REQUIREMENTS

The financial allocations for government agencies in the oil and natural gas sector (Ministry of Petroleum and Mineral Resources - Petroleum Affairs) under the Ninth Development Plan amount to SR759.4 million.