

Energy Transition



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SCROLL DOWN

GGC BANKS ON ENERGY TRANSITION **HYDROGEN IN MENA** **ESG IN OMAN**

The Commercial Power of ESG

Walter Simpson

Managing Director, CC Energy Development

ESG is not an add on. It is fundamental to the way we will be successful as a business, as part of our commitment to creating long-term value for Oman that extends well beyond its oil field projects. One challenge is that not all organizations accept this ethos just yet. At CCED, we have looked at what will make us successful as a business and then we have correlated those factors to what we are doing in ESG. We know that we will be successful if we are able to be a low-cost oil and gas operator with a small carbon footprint and if we are valued by the communities we work within and with. These are critical elements that define our future.



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CONTINUED

Walter Simpson

Managing Director, CC Energy Development

A ROBUST CORRELATION

In the environmental space, I can be more cost and environmentally efficient if I manage my water usage and waste more accurately, for example. This will also help Omani communities; MENA is the world's most water scarce region. Plus, if we train and develop talent properly, the company benefits from positive feedback and a flow of new ideas and technologies. If the company is using and developing local contractors, it is building its position in the community, the local workforce, and reducing import costs. The link between supporting ESG and strengthening the bottom line is very clear.

ELEVATING TRAINING

Omani graduates are top quality; competitive, digitally aware, passionate about supporting the sultanate's Vision 2040, and more recently, Net Zero by 2050. They demonstrate excellent leadership and problem-solving skills, certainly comparable with graduates anywhere else in the world. However, we must help them gain the experience and knowledge they need to thrive in both the hydrocarbon and the renewables sector – to be future leaders of Oman's industry. Therein lies our essential and collective role of social responsibility. This means providing appropriate training, real-world experience opportunities, and international exposure to all walks of professional life. This is the right thing to do socially, but it also makes very good business sense. Oman will not succeed without the cadre of talent coming through the pipeline. We must inspire, develop, and retain the best hearts and minds we can.

Source: OEF Industry Report 2023

WEEKLY SOUNDING

OIL & GAS

“What is in the Inflation Reduction Act also serves the interest of the oil and gas sector in terms of maintaining their production. The incentives to decarbonize their Scope 1 and 2 operations are lucrative and does offer a glide path for the industry. Shareholders are looking at long term energy demand, the cost and availability of capital, and ESG factors. The direction of travel on energy transition is increasingly being acknowledged. It is towards decarbonization. How we get there is the issue.”

Raad Alkadiri

Managing Director – Energy, Climate & Resources
Eurasia Group



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Hussein Fouad El Ghazzawy
Senior Energy & Industry Consultant
LYNX Strategic Business Advisors

Can oil and gas companies play a role in advancing green hydrogen?

The E&P (exploration and production) companies certainly will be crucial to meet global demand, with many of these companies already focusing on the production of green hydrogen and renewables. They have the experience and the agility to be part of this energy transition and meet the zero emission by 2050. I am a living example of someone working in oil and gas and now engage in renewables and green hydrogen. It is not only in funding, but oil and gas companies have quite mature R&D centers all over the world which can work on the innovations needed for green hydrogen. They have the infrastructure, experience, the R&D, and their footprint are everywhere to become a crucial part of this energy transition.

How strong is Middle East and Africa's position as a market hub?

I think the region is in a perfect situation to take advantage of the opportunities in this area. Africa is in a strategic position between a high demand place such as Europe and East Asia. North Africa's proximity to Europe and abundance of renewable power such as solar and wind make it qualified to produce a competitive pricing of green hydrogen. Egypt and Morocco, for instance are mature for hard-to-abate industries such as steel, fertilizers, petrochemicals, and cement. Both countries are also taking steps in their low-carbon strategies. Egypt will be delivering the first ever green hydrogen integrated project in Africa.

Will we see more competition or collaboration in Middle East and Africa?

I think collaboration is already taking place between Africa and the Gulf states as we see companies such as Masdar from UAE or ACWA from Saudi Arabia investing in Egypt and exploring other African countries. We are seeing more collaboration in knowledge sharing and complementarity especially in hard-to-abate industries.

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REPORT

The Energy Transition: GCC Banks On Stable Ground

S&P Global Ratings published its latest report on GCC banks' exposure to energy transition risks.

It highlighted these key takeaways:

- Energy transition risks for GCC banks has remained broadly stable over the past three years.
- GCC banks with sustainability strategies are increasing the sustainable financing opportunities.
- Bolder regulatory action in the region is yet to be seen through introduction of climate stress testing and other measures that can help accelerate transition.

"Significantly, GCC banks are trying to advance their sustainability agenda by increasing their sustainable finance offerings to customers and contributing to government efforts to decarbonize economies. A few banks have also tapped the international capital markets through sustainable bonds and sukuk, including green bonds and sukuk. We expect this trend to continue as banks seek to remain in global investors' sights. We also anticipate a progressive strengthening of climate risk disclosure," the report said.

[READ THE FULL REPORT HERE](#)

INSIGHTS

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OMAN INDUSTRY ESG WHITEPAPER



**How to Power
Sustainable Economic
Diversification in Oman?**

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