

## PANELISTS DEBATE

### **Saad Sherida Al-Kaabi, President and CEO of Qatar Petroleum**

Good morning, everybody. It is a very big question that you asked. Obviously, this has always been a very important region for the production of oil and gas, and will be an important region for a very long time. I do not think that there is a question about how important the region is for oil and gas production in the world. Of course, there are challenges facing the industry today but, as most of you have seen, I have been in the industry for 30 years. I joined Qatar Petroleum in 1986 as a student and since then I have been through four, maybe five, of these downturns. It is a cyclical market, there are ups and downs, we just had had a period of a very high oil price; it was uncharacteristically high for such a long period that people got used to a very high price and now USD 50 is seen as a very low price. These cycles are what makes the industry rebalance itself and see where it is cost-wise, etc. What I always tell our leadership team and employees is you have to control the things that are controllable. What we can control is our operating cost, how efficient we are, how safe we are, how reliable as operators and continue doing our job. The market will fix itself with time.

As to the importance of the region, I think it is unquestionably one of the most important regions for oil and gas. There are terrible instances around us, whether it is the political unrest around us in the region, whether in the North or in the South, and what is going on. You have seen that the oil market and the oil business have been very resilient in such crises; in the past, they might have been affected differently. I think we are a very resilient business as a whole and we understand how to deal with turmoil and areas of unrest; we always hope the unrest will disappear but we have to deal with it when it appears.

### **Steven Erlanger, London bureau Chief of *The New York Times***

Mr Pouyanné, would you like to respond to basically the same question?

### **Patrick Pouyanné, Chairman and CEO, Total**

I think the answer to your question is quite clear. Yes, of course, hydrocarbons are very important in this region and will remain an important for decades for many reasons. First, because you have 50% of oil and gas reserves in this region, which produces only 30% of world production, there are therefore huge reserves in front of us.

Secondly, these are low cost reserves; this is a region where producing oil is by far less expensive than in many other regions. As I said one day in an interview with one of your colleagues, together with the CEO of Saudi Aramco, Saudi Aramco is not facing any stranded assets since the last drop of oil will come from Saudi Arabia because it is less expensive. Yes, firstly it is obvious. Second, obviously, the economies of the countries in the region are mostly about oil and gas even if, as in Qatar, you have diversification; I think that 60% of the state budget revenues are from oil and gas. In other countries, it is more important than that. Even if climate change is an issue and this region is engaging, committing in these global warming topics by developing other sources of energy, like solar in Abu Dhabi, in Qatar soon, or in Saudi Arabia, we have to face the reality that the world needs energy; reliable, affordable, and clean energy.

These three words are equally important: reliable, you want to have lights when you push the button on; affordable, it is very important that a litre of oil is less expensive than a litre of water in the world today; energy is the source of all the

socio-economic development in the world, so we need something affordable. We should avoid going to an expensive energy world. Clean, of course, is important; it would be a mistake to put clean above these two other factors because, when you look at the world, you have plenty of emerging economies that need energy to develop. We should not forget that. Having said that, here in Qatar it is easy to answer by the way, because you rightly introduce the fact that Qatar is a country of gas. I know when you think of the future of hydrocarbons, there is one energy or one fossil fuel, that is gas, which obviously, as was said last week by the International Energy Agency, has a brilliant future. There is growth for gas. For gas, since Bogota, in fact, energy transition is good news. Qatar will even be able to sell more gas tomorrow than today, if it is possible.

**Steven Erlanger, London bureau Chief of *The New York Times***

It is certainly easier to be here than in the North Sea, I would think, at this point. You have now gotten a quite big contract for oil here, the Al Shaheen field. Is that part of rebalancing or is it simply part of Total's global reach?

**Patrick Pouyanné, Chairman and CEO, Total**

I do not know if it is rebalancing. Total was born in the Middle East in 1924 and we have had a very long partnership which we celebrated this year, of 80 years in Qatar. We also celebrated the fact that after the new model put in place by Mr Al-Kaabi on the Al Shaheen field, we have been selected to join QP to develop together the Shaheen field. When I look at the future of energy, I look again to the International Energy Agency; we need hydrocarbons. In 25 years in 2040 in the two-degree scenario that they just announced again, you have more than 45% of oil and gas; it is not zero. Do not believe the media; it is not true. You need oil and gas. Maybe you will need less than today but you need oil and gas; in fact, you will need less oil and more gas. In the '30s or somewhere, oil could face stable demand, much less than for gas.

The conclusion for a company like Total is that we must focus on oil assets that are cost-competitive. Al Shaheen is technologically challenging in, I would say, conventional waters in the Gulf, and with big huge resources it offers this type of cost-competitiveness. It is an asset that we want to continue to develop and in the same logic, we want to continue to invest in Abu Dhabi on the ADCO concession. That is why we were very proud and happy, and on 14 July 2017, we will become a partner with QP on Shaheen, so it is a joint company. It is not Total-operated; it is a North Oil company that has been selected, you know North Oil, North Gas, it is the same area of Qatar, a joint company between QP and Total, bringing our expertise. We are happy to have been selected to do that.

**Steven Erlanger, London bureau Chief of *The New York Times***

It is always very important to pick your partners well. Mr Al-Kaabi, if I could ask you, about LNG, which is very important, and you have created your own LNG structure here. Of course, it takes quite a lot of energy to produce LNG, but you have that. However, some people wonder, with the development of wind and solar and battery technology, though gas is clearly important and cleaner, do you think that the world might overleap gas a bit, despite its advantages, with better nuclear, wind, and solar? Is that something that you think about?

**Saad Sherida Al-Kaabi, President and CEO of Qatar Petroleum**

As Patrick mentioned, regarding the growth of fossil fuels, the cleanest fossil fuel is gas. It is really the trademark of Qatar, being the largest LNG producer with 77 million tonnes of gas per annum. We export gas to the entire world. When you look at the growth that is happening in all fossil fuels, there is slight growth in oil, but there is much bigger growth expected in gas, that is almost infinite in what they can project to 2040 and 2050. What Patrick alluded to is



gas, which is seen as a very high growth area, because you have a lot of areas in the world that want clean energy and gas is the cleanest energy you can have.

As far as the renewables are concerned, I am not worried at all. Renewables are a very important part of the energy mix that we need. Humanity is growing at a very rapid rate and we need all kinds of fuel and we need all kinds of sources, and renewables is a very important area. In Qatar, Qatar Petroleum is investing with our power producer in Qatar to establish a company called Siraj that is really building quite substantial solar power in Qatar itself and we are looking at the much longer term to have the capability in the solar area for a sustainable future for generations to come.

Solar, wind, renewables are a very important energy mix. I will give you an example of how important gas is. I was representing Qatar Petroleum when I was leading all the upstream businesses in the EU, before I was the CEO, and we had a group of companies, Shell, Gazprom, Centrica from the UK, EDF, many European producers. We bought a third party company to study for the EU, with Commissioner Oettinger, who at the time was heading the Energy Commission for the EU. With this third party and his team involved, we proved to them that if the EU wanted to reach its 2050 target for CO<sub>2</sub> emissions, it was 500 billion times cheaper for Europe to do it using gas. That is a substantial number. What happened later is that as soon as the gas prices in the US really collapsed, Europe became the biggest burners of coal, which is the most polluting in terms of CO<sub>2</sub> emissions. They bought US coal to burn in power plants in Europe and emit CO<sub>2</sub>. The driver was economics, not the political slogans of wanting to reduce CO<sub>2</sub> in that case.

**Steven Erlanger, London bureau Chief of *The New York Times***

I myself was amused, if one is allowed to be amused, that Angela Merkel's *energiewende* (energy transition) produced more coal imports into Germany than anything else, just as you said, because there needed to be something that was sustainable that was not nuclear, that helped to replace wind and solar when the wind was not blowing and the sun was not shining, because Germany does not often have much sun.

**Saad Sherida Al-Kaabi, President and CEO of Qatar Petroleum**

Gas was available. Of course, I have a vested interest in selling gas. Gas is available and it is a much cleaner fuel than using coal. I was just making the point that Europe was importing, the US was not a signatory to Kyoto, and they were getting their act together, but it was a commercial decision to export coal.

**Patrick Pouyanné, Chairman and CEO, Total**

We missed in this evolution of the energy mix; we should be very clear. The economic players select what is the most efficient from a competitive point of view. It is true that, when you look, if we want to be on the two-degree roadmap, it supposes that the coal share of the energy mix should diminish a lot. It is not obvious at all that it will happen like that. Why? Because we have huge resources of coal on this planet and coal is the cheapest energy source. If there is no constraint, no carbon pricing or anything else, then the emerging countries in particular will use coal rather than gas. Why was gas less developed? Because gas is more complex to transport, more costly to liquefy, and pipe gas involves a big infrastructure. World production of gas is half that of oil because it is a more costly fossil fuel than coal and then oil.

In history, mankind developed energy sources; we are lazy people; we begin to do easy things and then more complex because we want affordable energy. Frankly, gas should have a brilliant future and we are heavily investing in that but we need to develop the market and it is a little more expensive to use gas rather than coal in the Philippines, Asia, or China. When you look at the carbon climate challenge you have two big countries, China and India – what do they have? They have coal; India has only coal today. If we do not either transfer some money to them or put some

constraints in place, and CO<sub>2</sub> pricing is the most obvious though not the only one, to give a direction to investors and compensate for the difference in price between coal and gas. I can tell you India will develop its economy on coal and the two-degree climate change will be lost somewhere. It is important to keep that in mind and, by the way, you do not need huge CO<sub>2</sub> pricing, if you want to balance coal and gas in Europe; you need USD 20 per tonne today. The UK has done that by the way; the UK is the only country to have decided two years ago to put in place a taxation system of EUR 20 per tonne and it works. All the coal-fired power plants have stopped and have been replaced by gas-powered plants. They have demonstrated again that the economic players, like our companies, are just rational; if there is an incentive, we go for it.

**Steven Erlanger, London bureau Chief of *The New York Times***

It is absolutely true. It is not terribly popular in Britain but I do not think that they will change it because it seems to work for them. I am curious about China and India, which you brought up. Has the slowdown in China mattered to you or do you think it is just temporary? China is obviously trying to reduce its emissions, so gas is important. The Russians would love to ship more gas to China; I am not sure how easy that is; with Sakhalin I think it is. Of course, LNG is expensive, so could you talk a bit about how you see that market?

**Saad Sherida Al-Kaabi, President and CEO of Qatar Petroleum**

Of course, China and India are very important markets for us, due to their populations which are number one and number two in the world. Qatar represents a very good proportion of their LNG supply and we supply LNG to both China and India. Due to the CO<sub>2</sub> constraints and whether the countries themselves want to head in that direction, I think there is a willingness to have cleaner fuels to run their power plants and their industry. I think there is a drive to do that. Lower oil prices attract them to do more of that and reduce the subsidies they had to put in place, especially in India but also in China, on the fuel coming in. There is definitely a growth opportunity there. We are working hard to supply additional volumes to both countries. These are the biggest-growing countries for all kinds of fuels, not just LNG but LPG. There is a very big population, if you look at India, for example, I do not have an exact number, there are a few tens of millions of people who do not have power. I remember a number but I do not want to say it because I am not sure, but it is actually quite a large number of people in regions of India who do not have power. With a growing middle class and quite healthy economic growth in India, in comparison with other regions, I think that it is going to grow further and they will need a lot of fuel.

**Patrick Pouyanné, Chairman and CEO, Total**

Of course, China is very important. When the price went up in the 2000s from USD 10 or USD 20 to USD 100, Chinese demand for oil was a key driver. When prices went down again in 2014, it was a matter of supply but also of less demand and lower demand from China. Understanding China's demand for oil is absolutely crucial for oil markets and for gas as well. The gas share in the China energy mix is very low, a matter of 6% or 7%, so today they use very little gas, because the Chinese energy mix is dominated by coal. Therefore, gas can only have a developing market providing there again that it is competitive in comparison with coal. It is back to the same question. Making efforts on the question of producing lower costs LNG and transportation, and, on fuel chain efficiency, is very important in getting access to and developing this market.

On oil, it is clear that there is a change in the way that China's growth will go, changing from export to more consumption, which will have an impact. You can still see in China a big demand for gasoline products, where we see an increase in Chinese demand of 10% in one year. People in China have more and more cars so gasoline demand is very strong. Where you see an impact on lower growth it is in diesel because it is back to manufacturing, industry etc. This year we have seen very little growth in diesel. It is unfair but you have to remember that China became the first

world oil importer and they also import oil to feed their strategic reserve, which is a big unknown in the market. You have a big unknown in the market in what is happening there and the allocation of Chinese imports to consumption and strategic petroleum reserves. You also have to remember that China has a very aggressive renewables strategy. They are building huge amounts of wind and solar capacities. Today, half of the world's renewable capacity is in China. Obviously, when you speak about energy, it is absolutely crucial to understand the dynamics of the Chinese market, and tomorrow the Indian market.

**Steven Erlanger, London bureau Chief of *The New York Times***

These seem to be pushing a lot on electric cars too, which would make great sense for them. I do not know how good they are going to be.

**Patrick Pouyanné, Chairman and CEO, Total**

They are pushing for electric cars for a simple reason; it is a matter of local pollution. When China decided to join the US in climate change effort, as happened at the end of 2015, it was a real dynamic by way of the climate change treaty, this agreement between the US and China, changed the whole picture of the climate change negotiation. It was not primarily because of global warming; it is primarily because you have an issue of local pollution in China, because of industrial and coal development. There is the health question and when you go to Chinese towns you can observe that you have a problem because of people breathing air and you face what we had 50 or 60 years ago in Europe, difficulties with the health of the people. It is even a matter of social unrest in China. For me, the real dynamic from the Chinese authorities was that they had developed the country heavily and are now facing the consequences of this industrial revolution, which is local pollution, for which they need to find a solution. The source of the local pollution is coal; solving this source of pollution in coal and finding an energy transition, will have a direct impact on climate change. For China, this is where the local dimension of the environment and the global one are in fact the same topic of climate transition. You mentioned the electric vehicle and today Chinese car manufacturers are making huge efforts on electric vehicles. I am convinced that we will see, in five or ten years, many electric vehicles in the big Chinese cities. Today, already if you want to register a car, if you buy an electric car you are sure to get a number; if you buy a conventional car, you wait for three years in some towns in China. It is a very big driver and their goal is to be able to produce an electric car at USD 8 000 per vehicle. It will become accessible and we will face that transition. I am convinced that the electric car revolution will come first from China.

**Steven Erlanger, London bureau Chief of *The New York Times***

However, they will still need electricity to power the cars.

**Patrick Pouyanné, Chairman and CEO, Total**

It is back to where the power is coming from. Again, the local dimension means it will come from gas. I am advocating for gas for power. In fact, when you think about the energy transition because we will need more power in the 21<sup>st</sup> century, the growth in demand for power will be bigger in the coming years than for the primary sources of oil or gas. We need more power and the power will come from gas and renewables, if we want to have a two-degree world.

**Steven Erlanger, London bureau Chief of *The New York Times***

One of the things we are all puzzling over is what is in the brain of Donald Trump, who has just been elected President and who has ideas about climate change and energy. One of the hints we got overnight, he gave a YouTube video about some of the things he wants to do in his first 100 days and one of the things he said was to cancel job-killing

restrictions on the production of American energy, including shale and clean coal, creating millions of high paying jobs. Does this kind of stance affect the way you think about the balance in the future for hydrocarbons and the American role, or is this 'blah blah'?

**Saad Sherida Al-Kaabi, President and CEO of Qatar Petroleum**

I will go first. I think, regarding Trump's comment, I look at it a little bit differently because I am not a politician. I see a businessman who has been successful, has had troubles and came back, a very successful businessman. Businesspeople are very good at making deals and understanding the other side to make sure that they can get things done. They will not be successful if they do not do that. I see that Trump will be a very good President for the US; I see that he will be very rational and will ensure that business is done. Some of the things that he may do may not please all the businesses but, ultimately, he will do what is best for the US, his country, and what he sees as the best interest of his country as a businessman. I think that it is going to be positive for the US. Some businesses that are competing or some countries might not like it, but I think that, ultimately, it will all be done in a positive fashion. I may be an optimist but that is how I see it. His comments on the oil and gas industry, liberalisation of some areas and what he is going to do, oil and gas are very resilient businesses and we adapt to whatever we are given and move on. That has been proven historically. I am not worried at all.

**Patrick Pouyanné, Chairman and CEO, Total**

If you think of a US energy policy, the driver for the US and Mr Obama to join in climate change has been the huge gas shale revolution in the US. The US just realised that with the US gas shale revolution, gas was just a bit more competitive than coal in the US. That was a natural roadmap, without making a lot of policies; it was just that gas-fired power plants were replacing coal-fired power plants. You do nothing about the economics, even if Mr Trump wants to reopen coalmines, I can tell you that people will not invest in coalmines in the US, because people do not want it. They will invest because it is economic, and it is not economic today. It is better to invest in gas in the US. You have huge reserves of gas in the US; there is four decades' worth, as in Qatar. There is huge competition there. It is not a big field but there is a huge resource of gas in the US. Whatever he thinks, maybe Mr Obama did not allow any coalmines to open, but even if the administration had allowed them, you would not have seen many people rushing to ask for licenses. I am not worried about it because the US is a free trade market, a liberal market with capital. President Trump will probably cancel some regulations and the Clean Power Plan is probably dead. However, the Clean Power Plan was just a way to try to accelerate a little, but the trend is there. I do not think it will have a lot of influence and, as far as I know, it is not the government in the US that invests. I do not know if you want to nationalise the US economy but I am not sure. These are private players and shareholders who put their money where it makes sense, not where the government or the President tell them to. It does not work like that. In fact, in the US today you have very little restriction on shale oil and gas. The Obama administration was thinking about new regulations, and probably Mrs Clinton would have put them in place, which could have been an additional burden on the oil and gas energy industry. In fact, today you can develop these resources with very few restrictions, as we can do for our own business.

**Steven Erlanger, London bureau Chief of *The New York Times***

There is some speculation – of course everybody loves to speculate about him – that he might like to loosen gas emission regulations for cars and trucks. Would that make much difference?

**Patrick Pouyanné, Chairman and CEO, Total**

Again, there I think there is a dynamic. The car manufacturers have markets all over the world; they know they are looking for more efficiencies. We do not adapt our strategies in our companies because of one person being elected.





When you are on a big market, you need some strategy, some vision, some trend and there is clearly a trend for cars that are more efficient. Is it a matter of regulation to accelerate it? I think you will have huge potential for more efficiencies on US cars and of course regulation can accelerate it but it will not diminish it. Car manufacturers know that, after Trump, someone else would ask them to do something else. They have their own business to develop and then it is a matter of adapting the pace.

**Steven Erlanger, London bureau Chief of *The New York Times***

The oil companies are bigger than the American President, more important. I am curious to ask you both about Europe, which has gas as well, though maybe it is harder to get. The effort for fracking in Europe seems very complicated, partly because of the way land use is regulated. If I am not wrong, in America people own what is under their feet, including mineral rights, so companies can make deals with individuals. In Europe, I think that is mostly not true and what is under the soil is owned by the state, which makes things more complicated. Do either of you see an eventual future for more fracking in Europe or does it seem much too complicated?

**Saad Sherida Al-Kaabi, President and CEO of Qatar Petroleum**

I will ask a European to answer.

**Patrick Pouyanné, Chairman and CEO, Total**

If Qatar wants to invest in Europe, they are welcome. Let us be clear; Europe is not an exception; the US is an exception. The US is the only country where, when you own a property, you own down to the centre of the earth. It is not the only reason why shale gas has been developed. There are three or four success factors for shale gas in the US. First, the geology; we should not forget it is a matter of fracturation and geology. Today, in Europe it has been disappointing. In Poland, in Denmark, wherever we drilled, we did not find what we were supposed to find. Geology needs exploration and I would be the happiest man in the world if exploration had 100% success, but I can tell you it is not true. Only Qatar can you just drill and find gas. Geology was the first factor.

Then you have a huge, dynamic oil and gas service industry in the US. It is a manufacturing business and you have 2 000 or 3 000 rigs; in Europe, you have 40 or 50, maybe. Therefore, there are not at all the same sorts of dynamics in terms of capacity to make the shale industry more efficient. The third factor is that in the US there is a big network of existing gas pipelines. All this shale has been developed as a marginal resource to existing infrastructures. We did not build the big infrastructures; we just connected small polymer pipelines to the existing network and it is more expensive when we go to some other part of the US where there is no infrastructure. None of that exists in Europe. There are many drivers and the main issue on shale is a choice, that, by the way, can only be made by states or populations, on how I allocate my space. If you want to develop shale, you occupy a lot of space because you have many, many wells. In Texas or Oklahoma, you have a lot of empty space. In Europe, we are much more urbanised and we have a different choice in how we allocate space.

**Steven Erlanger, London bureau Chief of *The New York Times***

I also suspect that the politics are less friendly. Mr Al-Kaabi, does it matter to the region, not just Qatar, that the US has essentially become self-sufficient in energy? Does it have a political as well as an economic impact?

**Saad Sherida Al-Kaabi, President and CEO of Qatar Petroleum**

The US not needing fossil fuels and being self-sufficient definitely changes the dynamic of the oil and gas market as far as the oil and gas exporters are concerned. However, there is enough growth worldwide; there is sufficient growth in other countries to take up that volume. A big part of why you see the oil prices coming down is just that: the US being self-sufficient and not needing to import. They have a natural price cap where, as soon as the oil price comes into a certain range, you see additional rigs working in the US. As Patrick has described very well, the US has such a vast industry of drilling rigs that can come on and off almost weekly, and there is weekly monitoring of working or employed drilling rigs, versus how many come on to drill on a weekly basis. You can see when the oil price ticks up a few dollars, the rigs immediately start to work and additional wells are drilled. It definitely changes the dynamic but being self-sufficient and having growth in that area is unique to the US, because of the shale geology, the extent of the land. In Europe, you could not do 2% of what is being done in the US because people would not allow it. If you look at shale, fracking, and what is happening and how the operation moves, it is almost like a machine or a manufacturing plant. You have big areas; you drill a few wells and then you move that platform to somewhere else and start drilling again. It is a continuous chain of drilling and operations. It is a very aggressive development, unlike what we do here or what Total does anywhere in the world, with a few platforms, wells you produce and some in-fill wells. This is almost a manufacturing plant of additional wells and you keep drilling to keep it going. It has changed the dynamic but oil will be needed for a very long time and there is good growth; gas will be needed for a very long time, at a little bit higher rate of growth. Fossil fuels are here to stay but some elements will always change.

**Patrick Pouyanné, Chairman and CEO, Total**

If I may comment on that, the US is not self-sufficient; there is this belief, but it is not true at all in oil. Just to remember the figures. US production is about 11, 11.5 to 12 million oil barrels per day; US consumption is 18 million oil barrels per day. People tell me it is North America but I did not know there was no frontier between the USA and Canada. That is the first point.

The second point is that we cannot rewrite the story. President Obama decided to be less involved in the Middle East right at the beginning of his term, not after we discovered shale oil. It is not true that they began to withdraw because of the discovery of shale oil; it was a decision and policy that was implemented from the beginning. This is probably more important for the region because the region was stabilised over decades because of involvement of the US. I do not think we have the answer to what was said during the campaign. During the campaign, people always exaggerate a little and then when they are in office it is different. The key question is what the involvement will be of the US in the stabilisation of this region. This region is clearly facing a number of challenges. I have never seen so many troubles. You have Iraq, which has never been stabilised, and I begin with it because it is a big country not far away. You have Syria, Yemen, Libya, which is not far and impacting Egypt and the whole region. This Middle East region, where there is a lot of oil and gas as well, is facing challenges and the level of the next US administration's involvement is very important. We see Russia coming in to the region, mainly, in fact, because it does not want to see ISIS/Daech proliferate in southern Russia. It is something that is important for the full dynamic of the region.

**Steven Erlanger, London bureau Chief of *The New York Times***

This is really crucial and you have Iran next door; in fact, you share a field with Iran. As Mr Fillon says about Russia, it is a close neighbour so we have to think about them differently. President Obama has been deeply criticised for the red line in Syria and creating a kind of vacuum. I think it is true that they did not know how to respond to the so-called Arab Spring; nobody did. They were not prepared for the awakening and they were not prepared for the counter-revolution either. Unless you want to get deeper into politics, which you probably do not, I wondered if this was a





particularly sensitive time for the Gulf Arabs? Would you like more American involvement and stabilisation or do you think that more American involvement might make matters worse?

**Saad Sherida Al-Kaabi, President and CEO of Qatar Petroleum**

My father is or was a politician for a very long time, but I definitely am not, so I do not want to go too much into the politics. As a citizen, I think that what is happening in the region, what Patrick mentioned, the unrest in the region is worrying everyone. Having said that, I think that the relationship we have with the US is longstanding and we have a historic relationship and a military presence here. We have always tried to build on that relationship. I do not see that the change of President changes what countries do. There are institutions that always follow certain policies, individuals change some of the executive laws and modes of action and how they want to treat the various elements of a subject, but I do not believe that the policies would fundamentally shift or change that dramatically or quickly. I do not see changes happening that would affect our relationship. I sit on the investment arm of the Southern Fund, which has a lot of investments in Europe and the US, and our leadership has always urged us to go out and invest and have good relations with everybody. That is how Qatar has acted, either on the investment side with the Qatar Investment Authority, or in the oil and gas business where we have billions of investments in the US and everywhere around the world. We are evaluating new investments around the world. Things do change politically but I think the track is still the same.

**Steven Erlanger, London bureau Chief of *The New York Times***

Patrick, everyone says that big companies like stability. It is easier to operate when you do not have to worry about revolution or attacks on installations. Do you think that even this new administration will keep to national interests as it sees them and be very engaged in trying to keep the region stable? Or is it really going to keep its hands off?

**Patrick Pouyanné, Chairman and CEO, Total**

I am not fully convinced. When you are running an oil and gas company, you do not decide where on earth you find them. I would love to have plenty of oil and gas in France, but there is nothing. I go where it is and then it is a matter of risk management. We can dream about a peaceful world but it never existed. When the Cold War ended and the USSR was transformed, we all dreamed about a new world with an international order, globalisation, and democracy; 33 later, we are back to a world of more frontiers. I think that we are facing an era of powers facing each other: the US; Russia; France is one of them; Saudi Arabia; Iran. We have to face this reality and integrate it into the dynamics of the investment choices we make. I also believe that economic development is very important if you want more peace in this world. As an oil and gas company, we can participate by continuing to invest, to bring more investments to countries so that they can stabilise their own situations. This is what we can do and what we do in Russia and other countries.

**Steven ERLANGER**

Russia is clearly having economic problems with this price level for oil and gas and Europe is diversifying. Is this important for Europeans? Does it make Russia more aggressive in the markets? What do you think?

**Patrick Pouyanné, Chairman and CEO, Total**

I am not sure I understood the question.



**Steven Erlanger, London bureau Chief of *The New York Times***

I am just saying that given the state of the Russian economy and the price of oil and gas, does it make Russia more vulnerable and perhaps more aggressive in its deal making? Does it have an impact on the rest of Europe, which seems to be diversifying its energy supplies better?

**Patrick Pouyanné, Chairman and CEO, Total**

The relationship between Europe and Russia in the energy field has been historically important. We have to remember that Russia has always been a reliable producer. When you speak about security of supply, it is a nice concept but the only way to achieve it is to enlarge your sources of supply. What European policy must do is build more gas terminals, to bring alternative sources, like Qatari gas, rather than relying only on Russian gas. From that point of view, LNG is more flexible than pipe gas, is offering the flexibility; you can and we have built terminals. Today, we have this freedom of access by developing the infrastructure. I also believe that Europe is important for Russia; Gazprom will do everything it can to keep its market share around 30% of European gas. The relationship works both ways, which is why it is important to find a way to stabilize this deregulation and maybe Mr Trump will have to do that in the coming months.