



Fracking in Saudi Arabia

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A Saudi billionaire prince has warned that his country's economy faces danger unless it diversifies away from oil. A whopping 92 per cent of Saudi Arabia's revenue comes from oil. Prince Alwaleed bin Talal told his nation's oil minister that Saudi needed to reduce its dependence on oil. His open letter was published for the world to see. In it, he warned other Gulf states and countries in the Organisation of the Petroleum Exporting Countries (OPEC) that demand for oil was "in continuous decline". Prince Alwaleed wrote: "Saudi Arabia is almost entirely dependent on oil and this reality is becoming a source of concern for all." The prince is the world's 20th richest person and owns stakes in Apple, Twitter and Citigroup.

Prince Alwaleed warned the biggest threat to Saudi Arabia is from fracking – a technology that extracts oil from shale and rock. The United States has reduced its demand for Saudi oil because of its investment in producing its own from fracking. It hopes to be self-sufficient in oil by 2020, which would be a huge blow for Saudi. Alwaleed recognised this in his letter, stating: "We see that rising North American shale gas production is an inevitable threat." Arabian oil executives have so far dismissed any threat from shale, although OPEC members have said the issue needs to be addressed. The prince encouraged Saudi Arabia to invest in nuclear and solar energy production.

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New Words or Phrases

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