

## Ecopetrol CEO: Oil Industry's Future Not Threatened by Energy Transition

Oliver Griffin • Oct 25, 2023



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Colombia's oil and gas industry is not coming to an end due to the transition to cleaner energy, **Ecopetrol CEO Ricardo Roa** said on Tuesday, in response to a union statement that alleged executive decision-making is threatening the majority state-owned company's future.

The government of **President Gustavo Petro**, Colombia's first leftist leader, has set its sights on weaning the country away from its dependency on hydrocarbons, chiefly oil and coal, which are major earners for the economy, in favor of renewables.

Last December, **Ecopetrol** said it would invest between 25.3 trillion pesos and 29.8 trillion pesos (between \$6 billion and \$7.1 billion), with a focus on the transition to renewables and ensuring energy self-sufficiency.

"We've never said that we're going to wind up ... our traditional (oil and gas) business," Roa said at an industry forum in Cartagena organized by the private Colombian Petroleum Association (ACP).

Petroleum industry workers union USO said in a statement published on social media on Monday that **Ecopetrol** plans to cut its investment in exploration and production by more than 40%, taking spending to \$2.5 billion in 2024, down from \$4.5 billion this year, threatening the company's future.

**Ecopetrol** has two possible scenarios for investments next year, a basic scenario and a high one, Roa said in response to the statement from USO.

The basic scenario would see investment of \$3.5 billion to target average oil output next year of 720,000 barrels per day (bpd), Roa said, while the high investment scenario would see investment of \$4.2 billion to get close to 731,000 bpd.

**Ecopetrol** hopes production will reach a rate of 731,000 bpd by the end of this year, he added. A presentation provided by the company suggested average production of between 720,000 bpd and 725,000 bpd.

Last year **Ecopetrol** produced an average of 709,500 bpd, it said in a report published in February.

"The oil and gas industry in the country is not going to come to an end," Roa said, adding funds from fossil fuels would be key to financing the transition to renewable energy.

(\$1 = 4,221.39 Colombian pesos)

*(Reuters - Reporting by Oliver Griffin/Editing by Marguerita Choy)*

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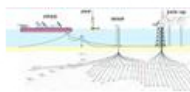
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