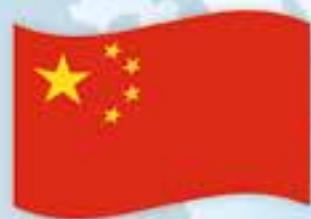
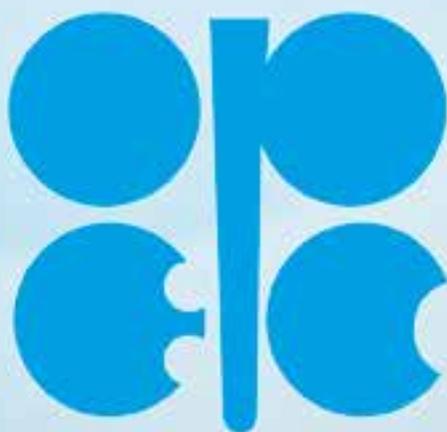


OPEC bulletin ^{2/19}

Special Edition



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US independents

OPEC international energy dialogues

OPEC

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Fostering dialogue is central to OPEC's work

The word 'dialogue' took a rather circuitous route to enter into the vernacular of the English language. It hails from the Old French 'dialoge' that came directly from the Latin 'dialogus', which harkens back to the Greek διάλογος or 'dialogos'. The etymology of the word reveals why dialogue is such a critical part of OPEC's work for its roots are διά (dia: through) and λόγος (logos: speech, reason).

Undoubtedly, it is an evocative word, as the 'philosophy of dialogue' has engaged some of civilization's greatest minds and geniuses. According to classicist scholars, the word was probably first introduced into literature by Plato, in a context where it was very much associated with Socrates-style conversations. However, this cannot be asserted with total certainty as an equivalent also appears in ancient Indian literature. In subsequent centuries, philosophers have debated every facet of dialogue, its meaning, purpose and impact on social relations.

Implicit in both the etymology and philosophy of the concept is the innate capacity of dialogue to further human co-existence, build bridges and develop positive relations between people and entities. These noble ideals are front and central to OPEC's *raison d'être*.

Given the interdependent nature of our global age and, indeed, the oil industry, OPEC has always been acutely conscious of the importance of the relationship between producers and consumers. The Organization has striven to ensure that relations are professional and candid, yet agreeable and cordial. We remain convinced that only through constructive, meaningful and regular dialogue can the required awareness and understanding be reached with relevant parties on what conditions are necessary for attaining a stable oil market.

In pursuit of this aim, the Organization has established international energy dialogues that have the following objectives: heighten understanding of OPEC's views and its stabilizing role in the oil market; promote the sustainable use of oil; enhance expertise and research capabilities; standardize working methods; and advance the collective interests of Member Countries.

Recalling OPEC's history, 2005 can be viewed as a landmark year with regard to dialogue between OPEC and other producers, and particularly with consumers.

The ball started rolling in January of that year with the first roundtable of Asian oil and gas ministers in New Delhi, aimed at promoting producer-consumer relations at the heart of the world's fastest-growing region. In May, the third Joint Workshop between OPEC and the Paris-based International Energy Agency (IEA) was held in Kuwait City.

Then, in June 2005, there was a significant breakthrough

in energy cooperation talks with the first-ever Ministerial-level meeting between OPEC and the European Union (EU). Held in Brussels, the talks were initially conceived as a means for testing the waters, yet they proved so successful that a second ministerial meeting was held in early December, this time in Vienna. Just before this gathering, the two parties staged their first joint roundtable, which looked at oil market developments.

The year concluded with OPEC forging a formal energy dialogue with China in Beijing, followed within days by a similar initiative with The Russian Federation in Moscow. Add to all this the inauguration of the official headquarters of the International Energy Forum (IEF) in Riyadh, Saudi Arabia, in September, and the significance of the year is clear. This is especially the case given that the purpose of the IEF is to promote and expand producer-consumer cooperation.

Fourteen years later and the OPEC international energy dialogues are in tremendous health. The Organization's regular dialogues can be divided into six categories: dialogues with regions and countries; international organizations; global energy initiatives and programmes; energy companies; technology companies; and research institutes and academia.

Furthermore, the success of the 'Declaration of Cooperation' process between OPEC Member Countries and ten non-OPEC countries has demonstrated the potential of energy dialogues to attain even greater heights. The energy dialogue with Russia was launched in 2005 and high-level meetings as part of this dialogue began in 2012. As they evolved, so too did the appetite for intensified cooperation. This would eventually culminate in the leading role that Russia would play in securing the signing of the 'Declaration of Cooperation' on December 10, 2016, and its subsequent extensions.

Indeed the 'Declaration of Cooperation' process is a manifestation of the noble values that have flourished in the energy dialogues — equity, transparency, fairness and respect among nations. On the basis of these core principles, the 'Declaration of Cooperation' has succeeded in helping the oil industry emerge from one of the most severe downturns in its history and now constitutes a permanent feature of the energy landscape.

OPEC's schedule for 2019 attests to the importance of the energy dialogues: a host of meetings and interactions are planned, including high-level meetings as part of the energy dialogues with the EU, China, Russia, India and independent producers in the US. This also aligns with OPEC's strong support for multilateralism and its unshakeable belief that cooperation among nations is the best means of addressing the challenges of our times.





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Cover

This month's cover reflects the OPEC international energy dialogues that have taken place in recent years (see Energy Dialogue starting on p4).

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OPEC Membership and aims

OPEC is a permanent, intergovernmental Organization, established in Baghdad, on September 10–14, 1960, by IR Iran, Iraq, Kuwait, Saudi Arabia and Venezuela. Its objective – to coordinate and unify petroleum policies among its Member Countries, in order to secure a steady income to the producing countries; an efficient, economic and regular supply of petroleum to consuming nations; and a fair return on capital to those investing in the petroleum industry. Today, the Organization comprises 14 Members: Libya (joined in 1962; United Arab Emirates (Abu Dhabi, 1967); Algeria (1969); Nigeria (1971); Angola (2007); Equatorial Guinea (2017). Ecuador joined OPEC in 1973, suspended its Membership in 1992, and rejoined in 2007. Qatar joined in 1961 and left on December 31, 2018. Indonesia joined in 1962, suspended its Membership on December 31, 2008, reactivated it on January 1, 2016, but suspended its Membership again on December 31, 2016. Gabon joined in 1975 and left in 1995; it reactivated its Membership on July 1, 2016. The Republic of the Congo joined the Organization on June 22, 2018.

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The *OPEC Bulletin* welcomes original contributions on the technical, financial and environmental aspects of all stages of the energy industry, as well as research reports and project descriptions with supporting illustrations and photographs.

Editorial policy

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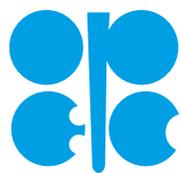
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Special edition: OPEC energy dialogues

*13th High-Level Meeting,
November 22, 2018,
Brussels, Belgium*

*L-r: Mohammad Sanusi
Barkindo, OPEC Secretary
General; Megan Richards,
Director Energy Policy,
Directorate General
for Energy, European
Commission; and
Dominique Ristori, Director-
General, Directorate General
for Energy, European
Commission.*

Fostering dialogue among all stakeholders in the international energy community is intrinsic to OPEC. The 1st Solemn Declaration made at the Conference of Sovereigns and Heads of State of OPEC Member Countries held in Algiers, Algeria, March 4–6, 1975, stated that Sovereigns and Heads of State of OPEC Member Countries reaffirmed “their support for dialogue, co-operation and concerted action for the solution of the major problems facing the world economy.”

At the Second Summit of Heads of State and

Government of OPEC Member Countries, held in Caracas, Venezuela, September 27–28, 2000, the Heads of State and Government of Member Countries, through the 2nd Solemn Declaration, resolved **“to actively seek new and effective channels of dialogue between oil producers and consumers, for the purpose of market stability, transparency and sustainable growth of the world economy.”**

At the Conference of Sovereigns and Heads of State of OPEC Member Countries, held in Riyadh,





*The OPEC Headquarters
in Vienna serves as a
frequent venue for the
international energy
dialogues.*

Saudi Arabia, November 17–18, 2007, the Heads of State and Government of Member Countries, through the 3rd Solemn Declaration, resolved to

“strengthen and broaden the dialogue between energy producers and consumers through the International Energy Forum and other international and regional fora, for the benefit of all, and note successful dialogues between OPEC, the European Union, the People’s Republic of China, the Russian Federation, the International Energy Agency and others.”

The Organization’s Long Term Strategy of 2010 states: “In an increasingly interdependent world, more focused and in-depth dialogue among all related parties is imperative in enhancing cooperation on a broad range of issues of mutual concern — such as market stability, security of energy supply and demand, upstream and downstream investments, technology, the availability of skilled manpower, energy poverty and sustainable development. OPEC will continue to expand and strengthen its dialogue with all producing and consuming countries, as well as regional groups, UN institutions and other energy-related international organizations.”

This built on the Long Term Strategy of 2006, which stated: “Dialogue among producers and between producers and consumers should be widened and deepened to cover more issues of mutual concern, such as security of demand and supply, market stability, upstream and downstream investment, and technology. Dialogue should be initiated or intensified with all countries, both producing and consuming, regional groups, United Nations institutions, the International Energy Forum (IEF), the International Energy Agency (IEA), etc.”

To commemorate the milestones that have



been achieved in the history of the OPEC Energy Dialogues, this Special Edition will provide an overview of the successes to date. The first section reflects on OPEC’s dialogues with ‘Regions and Countries,’ profiling the well-established dialogues with the EU, the Russian Federation, PR China, India, independent suppliers in the US, as well as the technical meetings on Asian energy and oil outlook.

Section 2 examines OPEC’s dialogues with International Organizations. An important component of this are those dialogues related to interactions between OPEC, the IEA and the IEF. These include the IEA-IEF-OPEC Energy Outlook Symposium; the IEA-IEF-OPEC Coal and Gas Symposium; OPEC-IEA-IEF Collaboration on Historical Baseline Data Comparison; the OPEC-IEA-GHG R&D Programme; and the Joint IEA-IEF-OPEC Interactions between Physical and Financial Energy Markets. This section



also covers the Joint Organisations Data Initiative (JODI); the IMF and World Bank; OECD International Regulatory Cooperation and the Vienna Energy Club. Given the importance of natural gas in the future energy mix, it has also been proposed to establish a dialogue with the Gas Exporting Countries Forum (GECF) on short- and long-term aspects of the energy market, on top of the already existing technical co-operation. It is intended that such a meeting will take place later this year.

Section 3 involves the Global Energy Initiatives and Programmes, including the G20 Energy Initiative and the OPEC-AFREC Collaboration Initiative.

Section 4 examines OPEC's dialogues with energy and technology companies. Finally, cooperation between OPEC and the King Abdullah Petroleum Studies and Research Centre is outlined.

The dialogues not only fulfil part of OPEC's core mandate but underscore the Organization's unwavering commitment to the multilateral system and the principles of international relations based on respect for all nations.

OPEC came into being as a result of a joint action undertaken by several countries which are strong supporters of the United Nations. The treaty establishing OPEC was registered at the UN Secretariat on November 6, 1962, under No 6363. Later, OPEC also established relations with the Economic and Social Council (ECOSOC) under UN Resolution 1053, adopted on July 30, 1965.

The Organization is extremely proud of the absolute conformity between its own principles and purposes with that of the UN and will always promote dialogue among nations as the means of overcoming challenges. 

1st High-Level Meeting, June 9, 2005, Brussels, Belgium
From left to right: OPEC Acting for the Secretary General, Dr Adnan Shihab-Eldin; Nigerian Presidential Adviser on Petroleum and Energy, Dr Edmund Maduabebe Daukoru; OPEC President of the Conference and Minister of Energy of Kuwait, Sheikh Ahmad Fahad Al-Ahmad Al-Sabah; EU Energy Commissioner, Andris Piebalgs; Luxembourg's Minister of the Economy and Foreign Trade, Jeannot Krecké; UK Minister for Energy, Malcolm Wicks; and the Netherlands Minister of Economic Affairs, Laurens Brinkhorst.



EU-OPEC Energy Dialogue

Date established:	2005
Main activities until now:	13 high-level meetings, the last in Brussels on November 22, 2018 Nine EU-OPEC joint studies 12 workshops and roundtables Two technical meetings
Upcoming activities:	14 th High-Level Meeting



In 2005, the OPEC and the European Union (EU) decided to initiate a permanent forum in which representatives from each organization could gather to exchange oil and energy market outlooks and discuss issues of common concern and importance.

This pioneering dialogue initiative, soon to host its 14th High-Level Meeting, has been a resounding success and spurred on the creation of OPEC's other international dialogue platforms, helping foster healthy and mutually beneficial producer-consumer relations while promoting stability in the global oil market.

1st High-Level Meeting, June 9, 2005, Brussels, Belgium

This important new initiative was established after consultations that took place between the Dutch EU Presidency, the European Commission and the President of the OPEC Conference at the end of 2004 in recognition of their mutual interdependence.

The dialogue was considered by both parties as a natural extension of the warm relations that have



1st High-Level Meeting, June 9, 2005, Brussels, Belgium

From left to right: Nigerian Presidential Adviser on Petroleum and Energy, Dr Edmund Maduabebe Daukoru; OPEC President of the Conference and Minister of Energy of Kuwait, Sheikh Ahmad Fahad Al-Ahmad Al-Sabah; EU Energy Commissioner, Andris Piebalgs; Luxembourg's Minister of the Economy and Foreign Trade, Jeannot Krecké.

existed for decades in many areas of activity involving members of the two Organizations. Trade between the two groups had been occurring in many sectors, with the countries involved benefiting from the flow of goods and services.

This first Meeting was spent predominantly on establishing an overall framework for the ongoing dialogue initiative.

The parties adopted the following overarching themes, which they deemed important for enhancing cooperation, in the mutual interest of both the EU and OPEC: oil market developments, both short and medium-to-long term, energy policies, energy technologies and energy-related multilateral issues. It was agreed that these themes would be developed through workshops, roundtables and other meetings, which could include, where appropriate, other multilateral organizations.

The meeting also agreed on the establishment of a series of programmatic initiatives, including a roundtable on oil market developments with the objective of improving understanding of the functioning of the market, including the effect of trading in futures markets; a Conference on new technologies; and a roundtable to exchange views on energy policy developments.

Both parties expressed satisfaction with the inaugural meeting and its outcomes.

At a press conference after the meeting, Sheikh

Ahmad Fahad Al-Ahmad Al-Sabah, Minister of Energy of Kuwait and President of the OPEC Conference, said the meeting had been very successful.

This kind of dialogue and cooperation would, he said, help to remove some of the “misinformation” that surrounds the oil market. This, he added, had been demonstrated by the fact that although the market is well supplied at present, prices have not reflected this fundamental and therefore the “psychology” of the oil market also needed to be discussed.

From the EU side, Luxembourg’s Minister of the Economy and Foreign Trade and President of the EU Council, Jeannot Krecké, remarked that the meeting had been a success and had gone “far beyond what we thought.” He added: “We need regular dialogue to clarify the message to the outside world that there is an understanding on both sides for the way we move forward and cooperate.”

2nd High-Level Meeting, December 2, 2005, Vienna, Austria

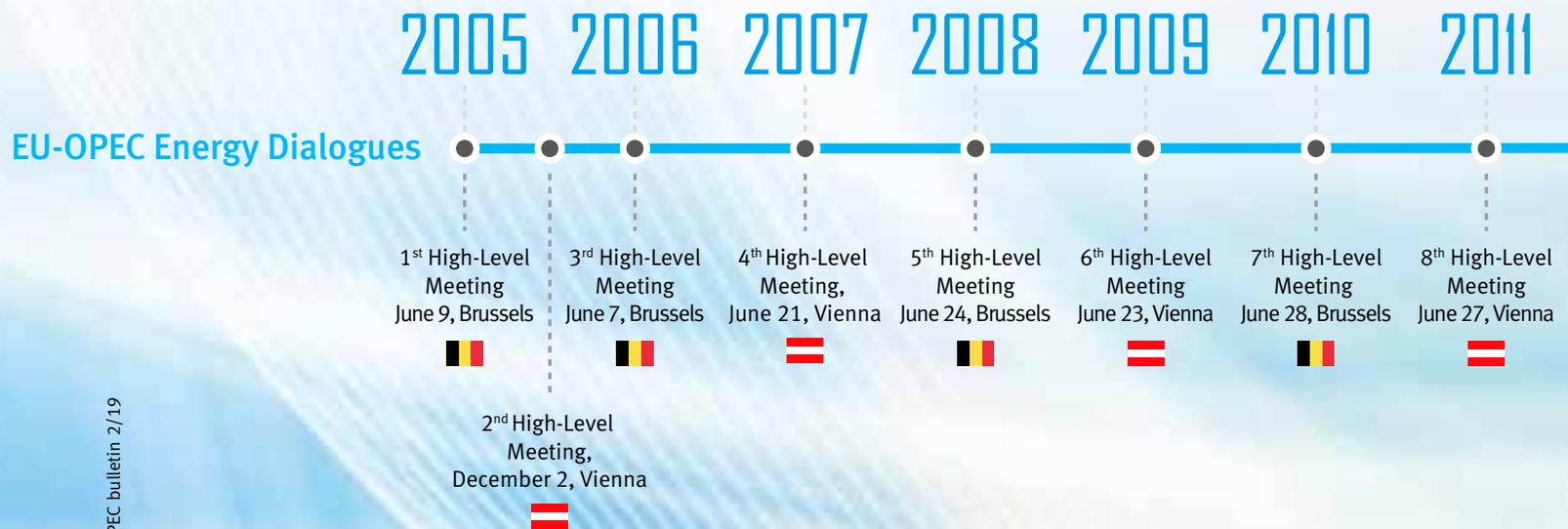
Delegates highlighted the good progress made within the initiative since the last meeting and reviewed the two sides’ first Joint Roundtable held in Vienna in November, which looked at oil market developments and future prospects.



2nd High-Level Meeting, December 2, 2005, Vienna, Austria
 From left to right: EU Energy Commissioner, Andris Piebalgs; Nigerian Presidential Adviser on Petroleum and Energy, Dr Edmund Maduabebe Daukoru; UK Minister for Energy, Malcolm Wicks; OPEC President of the Conference and Minister of Energy of Kuwait, Sheikh Ahmad Fahad Al-Ahmad Al-Sabah.

Two areas of mutual interest for further discussion were pinpointed at the roundtable talks — on the refining sector and financial markets. Both parties agreed that a study on refining be undertaken and that a workshop on the financial markets be organized.

Turning to the oil market, both sides reiterated the importance of market stability for both producers and consumers, for the world economy, and especially the economies of the developing countries.





2nd High-Level Meeting, December 2, 2005, Vienna, Austria
Above left: EU Delegates at the OPEC Secretariat participating in the Second Ministerial Meeting of the EU-OPEC Energy Dialogue.
Above: Members of the OPEC team at the meeting.

“Extreme prices in either direction over a sustained period are potentially damaging and, therefore, not desirable,” said the joint press release.

Delegates confirmed not only the importance of mobilizing investment, both in the upstream and downstream, and ensuring adequate spare capacity and stocks, but also the need to reduce uncertainties associated with the level of future oil demand.

They agreed that publication by OPEC and other producers of information about their investment plans in upstream and downstream activities was welcomed as a further means of contributing to market stability, as would greater clarity in the demand outlook.

The Ministers recognized that the serious tightness in the global refinery system would continue to strain market stability in the next few years, a situation that called

for more efforts to create an environment that promoted downstream investment in the major consuming countries and regions.

The Energy Dialogue’s work programme for 2006 was discussed, in particular preparations for a meeting on energy technologies, with a focus on carbon capture and storage, in conjunction with enhanced oil recovery, as well as a second roundtable on the impact of energy policies on both demand and supply.

In order to enhance cooperation on technology, the Ministers also explored the possibility of establishing an EU-OPEC Technology Centre, a proposal that Kuwait said it was ready to move forward with and provide financing for.

The Ministers also took note of the efforts being





3rd High-Level Meeting, June 7, 2006, Brussels, Belgium

From left to right: Dr Martin Bartenstein, Minister of Economy and Labour, Austria; Dr Edmund Maduabebe Daukoru, OPEC Conference President, and Minister of State for Petroleum Resources, Nigeria; Andris Piebalgs, European Commissioner for Energy; Mauri Pekkarinen, Finland's Minister of Trade and Industry; and Mohamed Bin Dhaen Al Hamli, UAE Minister of Energy.

made to develop the Commission's internal energy market observation system and agreed to explore opportunities for cooperation.

Both the OPEC Conference President, Kuwaiti Minister of Energy, Sheikh Ahmad Fahad Al-Ahmad Al-Sabah, and the Alternate President of the OPEC Conference and Minister of State for Petroleum Resources of Nigeria, Dr Edmund Maduabebe Daukoru expressed their confidence in this ongoing initiative.

3rd High-Level Meeting, June 7, 2006, Brussels, Belgium

The third instalment of the Dialogue saw the EU and OPEC formally agree upon several initiatives, including the establishment of an EU-OPEC Energy Technology Centre, a roundtable on energy and the environment and a joint study on oil refining.

There was general agreement that both organizations face similar challenges stemming from the need for security of supply and demand, large upstream and downstream investments, and stable and predictable markets.

Both sides noted that, while world oil markets

were adequately supplied with crude oil and stocks were at comfortable levels, concerns over spare production capacity, the ongoing tightness in the refining sector, geopolitical developments, and other factors continued to exert pressure on crude and product prices.

They also emphasized that all energy sources should contribute to a diverse energy mix and that sustainable energy should take into account the three mutually-supportive pillars — economic development, social progress, and environmental protection. They also reiterated the importance of gaining a better understanding of the interaction between the financial and oil markets, as well as the need for an experts' joint workshop on this subject.

In addition, they noted the benefits of more in-depth exchanges on their respective supply and demand forecasting methodologies. In the same vein, they supported the objective of improved data quality, comprehensiveness and timeliness, and expressed again their support for the Joint Oil Data Initiative (JODI).

Other issues centred on sustainable development and the eradication of poverty, as well as the importance of energy technology issues, including



4th High-Level Meeting, June 21, 2007, Vienna, Austria

cleaner oil technologies, as a means to address climate change concerns.

The communiqué distributed after the meeting lauded the progress and significance of the ongoing initiative: “Developments have since underlined the value of dialogue and the mutual interest of both parties in improving communications and understanding between each other.”

4th High-Level Meeting, June 21, 2007, Vienna, Austria

Both parties noted that since the last meeting, EU and OPEC officials had organized several joint events, including a roundtable on carbon capture and storage (CCS), held in Riyadh, Saudi Arabia; a workshop on the impact of financial markets on price volatility; a roundtable on energy policies; the launch of a joint study on refining; and other meetings and discussions.

The two sides reiterated the substantial contribution the energy dialogue could make to broader-based challenges facing mankind, notably environmental harmony, sustainable development and the eradication of poverty.

They agreed that cleaner fossil fuel technologies should be promoted, to help foster economic growth

and social progress, while contributing to the protection of the environment, emphasizing, in particular, the need for the further development and deployment of CCS technology, since this would have a key role in reducing net emissions of greenhouse gases. Both sides recognized once again the essential nature of the Millennium Development Goals and the fact that access by the poor to modern energy services facilitated the achievement of these goals.

“The two parties believed that the world is becoming increasingly interdependent, with a complex energy system that is steadily developing into a more global and interconnected one, through physical infrastructures and markets. Dialogue, partnerships and transparency were, therefore, considered essential in addressing the world’s energy needs, in a predictable, stable and harmonious manner,” commented the joint communiqué.

In this connection, the two sides reaffirmed their recognition of the reciprocal nature of energy security, with security of supply and security of demand considered “two faces of the same coin”. It was emphasized that every effort should be made to minimize uncertainties along the supply chain, in order to reduce investment risks and support long-term market stability.

“In noting that oil will remain the world’s leading

**4th High-Level Meeting,
June 21, 2007, Vienna,
Austria**

*Pictured at the press
conference (l-r), Andris
Piebalgs, Caimoto
Duarte, Michael Glos,
Mohamed Bin Dhaen Al
Hamli, Dr Chakib Khelil,
Abdalla Salem El Badri.*

energy source for the foreseeable future, the meeting agreed that, in the long run, on the basis of present information, there are enough conventional and non-conventional oil resources globally to meet the expected significant growth in demand,” the communiqué stated.

Both parties welcomed the growing diversity in the energy mix, including renewables. With regard to bio-fuels specifically, their sustainability was discussed, especially the many potential impacts of their large-scale trade and use for energy purposes. The EU highlighted the scope for tackling such problems through an appropriate policy framework.

Finally, both sides emphasized the importance of continuously monitoring oil market developments and taking appropriate actions if necessary.

**5th High-Level Meeting, June 24, 2008,
Brussels, Belgium**

Both parties pointed to the success of the recently convened Jeddah Energy Meeting, held in Saudi Arabia, to discuss the latest oil market developments, citing it as an example of the high level of coordinated relations the industry needs to see continuing in the future.

“We have seen once again how much common understanding there is between our two groups on issues that

lie at the heart of an efficient, well-functioning oil sector and the importance of the dialogue in fostering this,” Dr Chakib Khelil, OPEC Conference President and Algerian Energy and Mines Minister, told a joint press conference after the meeting. “As with its predecessors, the fifth meeting of the Dialogue has been an important and enlightening experience,” he affirmed.

He said the meeting’s presentations on the current and long-term energy outlook “have enabled us to benefit from reviewing each other’s perspectives on the way the market is heading and of the challenges we are facing — over and above all, the present market volatility, which has captured so much attention recently.”

The Conference President added: “We have some clear messages to take back to our respective Member Countries with regard to the Dialogue’s progress on important areas, such as refining, the financial markets and volatility, CCS, as well as the EU-OPEC Energy Technology Centre. We have, therefore, been able to make further encouraging progress with the Energy Dialogue, which, in its quiet and effective manner, has gone from strength to strength since its establishment in 2005.”

Heading the EU side, Andrej Vizjak, President of the EU Energy Council, Minister of Economy of Slovenia, told



the news conference that energy relations between the EU and OPEC are interdependent in their nature.

“For this reason, this Energy Dialogue should contribute, and I believe, will contribute, to a deeper understanding of our respective strategies.” he said.

The main conclusions of the joint study on oil refining and the follow-up workshop were presented. The workshop was attended by member countries and industry representatives in Brussels in January 2008.

Both sides also considered a progress report on the joint study on the impact of financial markets on volatility. Specific issues addressed in this study included the transformation of the financial markets into both hedge and investment markets and liquidity and price volatility and determining which group dominates the oil futures markets — speculators or hedgers.

In other business, delegates agreed to undertake a feasibility study on the establishment of a planned EU-OPEC Energy Technology Centre, also addressing education and training. The idea for the centre, designed to enhance cooperation in science, technology, education and training, was first mooted early in the dialogue, but gained momentum during the fourth ministerial meeting of the initiative, when a task force was set up to look properly at examining the idea.

Additionally, the meeting agreed to hold a roundtable

on CCS, to take place in Brussels, followed by technical site visits. “The EU and OPEC consider it realistic and beneficial to promote cleaner fossil-fuel technologies,” said a progress report on the CCS issue to the high-level meeting. “In particular, technologies that capture carbon dioxide and store it, especially in geologic formations, are considered a vital means to reduce or limit carbon dioxide emissions.

Finally, both sides agreed to prepare terms of reference for a joint study on the impact of biofuels on oil refining.

6th High-Level Meeting, June 23, 2009, Vienna, Austria

Both parties noted that the meeting was taking place against the backdrop of one of the most severe global economic contractions since the 1930s, adding that this was having a profound impact on the Member Countries of both parties, and served to underline the importance of the dialogue.

Despite the current short-term volatility, both sides agreed that it was important for the industry to maintain a firm focus on meeting longer-term challenges in order to continue investing in new production capacity to meet rising demand in the future.

5th High-Level Meeting, June 24, 2008, Brussels, Belgium

L–r: Desidério da Graça Verissimo e Costa, Alternate President of the OPEC Conference, Minister of Petroleum of Angola; Jean-Louis Borloo, incoming President of the EU Energy Council, French Minister of Ecology and Sustainable Development and Planning; Dr Chakib Khelil, OPEC Conference President and Algerian Energy and Mines Minister; Andrej Vizjak, President of the EU Energy Council, Minister of Economy of Slovenia; Abdalla Salem El-Badri, Secretary General of OPEC; Andris Piebalgs, European Commissioner for Energy.





6th High-Level Meeting, June 23, 2009, Vienna, Austria

L-r: Andris Piebalgs, European Commissioner for Energy; Hans Lundborg, Swedish Ambassador to Austria, representing the incoming President of the EU Energy Council; Vladimír Tošovský, President of the EU Energy Council and Czech Minister of Industry and Trade; José Maria Botelho de Vasconcelos, OPEC Conference President and Angola's Minister of Petroleum; Germánico Pinto, Alternate President of the OPEC Conference and Ecuador's Minister of Mines and Petroleum; Abdalla Salem El-Badri, OPEC Secretary General.

In the light of this backdrop, the meeting endorsed the calls made at April's joint workshop for an urgent and global response to the challenges posed by today's financial markets. It heeded warnings from the workshop that the speculation issue had not been resolved yet, and that the 2008 bubble could be repeated if adequate regulatory reforms, including greater transparency, were not made as part of an overall reshaping of the global financial sector.

Both parties agreed on the importance of sharing information on future demand and supply scenarios. They also recognized the benefits and increasing importance of the Joint Oil Data Initiative, under the auspices of the Riyadh-based International Energy Forum Secretariat.

The meeting agreed that this heightened the need for stable, transparent and predictable oil markets. This was underscored by the reciprocal nature of energy security, with security of demand recognized as being as important to producers as security of supply was to consumers.

Turning to broader-based global issues, the EU

and OPEC reaffirmed their commitment to the principles of sustainable development, with its three mutually supportive pillars of economic development, social progress and protection of the environment, as well as recognition of the special needs of the world's poorest communities.

In relation to the Conference of the Parties to the UNFCCC and the Meeting of the Parties to the Kyoto Protocol in Copenhagen in December 2009, both sides expressed the need to address the concerns of the energy industry in a fair, balanced and sustainable manner, acknowledging the realities of the continued importance of fossil fuels, and especially oil.

The parties noted the recommendations of the roundtable of October 2008 for CCS to be given more prominence in the Energy Dialogue, and agreed that OPEC would participate as an observer in the EU's Zero Emissions Platform.

The meeting was presented with a summary report on the second roundtable on CCS and the conclusions



7th High-Level Meeting, June 28, 2010, Brussels, Belgium

Conducting the press conference are (l-r), Masoud Mir-Kazemi, Wilson Pástor-Morris, Abdalla Salem El-Badri and Günther Oettinger.

of the study on the impact of financial markets, as well as a summary report on the associated workshop. Status reports on the study on biofuels and on progress with the EU-OPEC Energy Technology Centre were also communicated.

Looking ahead, both parties agreed to launch a study on the impact of biofuels on the refining industry and organize a workshop to discuss the findings. The organization of a roundtable on the impacts of the global financial crisis on the oil sector was also approved, in addition to the execution of a feasibility study for the EU-OPEC Energy Technology Centre.

7th High-Level Meeting, June 28, 2010, Brussels, Belgium

Both parties decided to organize a roundtable discussion on the challenges facing offshore oil and gas exploration and production activities, especially the issue of offshore safety. This decision was in response to the drilling rig tragedy that occurred in April 2010 off the US coast in the Gulf of Mexico when 11 workers were killed and 17 injured during the explosion at the Deepwater Horizon drilling rig. This tragic event led to the worst oil spill in

the history of the US and sparked a major review of the feasibility of drilling for oil offshore and especially at such extreme depths.

In his opening address, OPEC Conference President, Wilson Pástor-Morris, Ecuador's Minister of Non-Renewable Natural Resources, stated that the catastrophe was "disturbing to all of us in an industry whose collective interest is providing secure, steady supplies of oil to consumers."

He said many lessons had already been learned and these were bound to affect future behaviour in the industry. But, for the time being, the priorities for the parties concerned revolved around stopping the oil flow and minimizing the damage to the environment.

During the meeting, both sides also agreed to address two other pressing issues they felt needed their attention.

In the first of these, they called for a study to be made into the potential of technological advances in transportation, which represented a huge growth area in oil use, and the timeframe for their introduction in different regions, as well as assessing their impacts on oil demand.

Secondly, they agreed to hold a roundtable to



8th High-Level Meeting, June 27, 2011, Vienna, Austria
 L-r: Tamás Fellegi, President of the EU Energy Council and Minister for National Development of Hungary; Günther Oettinger, European Commissioner for Energy; Mohammad Aliabadi, OPEC Conference President and Acting Iranian Minister of Petroleum; and Abdalla Salem El-Badri, OPEC Secretary General.



examine the causes of the skilled workforce shortage in the energy and oil industry, as well as to address the conditions needed to sustain the development of long-term skilled human resources.

The participants also drew attention to the fact that this year's meeting was taking place against a backdrop of continued financial constraints and economic concerns, although there were signals that the global economy was emerging from the crisis, albeit at different paces in different regions.

Participants agreed that the economic recession, together with the introduction of new energy and environmental policies in many consuming countries, could add to longstanding uncertainties about future demand. However, both OPEC and the EU stressed that fossil fuels

would continue to meet most of the world's energy needs in the future, with oil playing the leading role.

Delegates agreed on the ongoing importance of sharing information on future demand and supply scenarios and recognized the benefits and increasing importance of the JODI, in which both institutions were participating.

Progress reports were submitted on the study *'Impact of the use of biofuels on oil refining and fuels specifications'* and *'The impact of the economic crisis on oil investments'*. Concerning the latter, it was decided that a workshop would be organized during the second quarter of 2011 to present the conclusions of this report.

In addition, participants received a summary of conclusions of the feasibility study on establishing an EU-OPEC Energy Technology Centre. A dedicated joint



EU-OPEC task force was established to oversee the completion of the study, and both sides agreed to pursue the identification of adequate budgetary sources.

8th High-Level Meeting, June 27, 2011, Vienna, Austria

Both parties convened for the first time in the spacious main conference room of OPEC's new Secretariat building in Vienna. However, just days before the meeting, the International Energy Agency (IEA) — around two-thirds of whose members are also EU members — had unexpectedly announced the release of 60 million barrels of oil to the market in the coming month from its members' emergency stocks.

The concluding joint press release generalized upon the situation as follows:

"Participants ... acknowledged that this year's meeting was taking place against the backdrop of challenging developments and ensuing initiatives in the world economy and the energy scene, as well as in some oil-consuming and oil-producing regions, with a significant impact on both parties to the dialogue."

It also referred to "the renewed increase in price volatility, which impacts all parties in both the short term and the medium and longer terms, especially with regard to the adverse effects on energy investment."

However, despite the expressed differences between

the two intergovernmental groups about recent market developments, one could nevertheless detect an underlying resolve among the participants to focus on the enduring fundamentals of the energy dialogue and not to allow this process to be derailed by the more fleeting factors.

OPEC Secretary General, Abdalla Salem El-Badri, reflected the views of both groups in his keynote address when he described the energy dialogue as "a prime example of constructive cooperation on energy between groups of countries."

He went on: "Both OPEC and the EU have learned much about each other since our dialogue began back in 2005. Its development has allowed us to better understand energy challenges, identify areas of common ground, discuss our respective viewpoints, develop areas of mutual interest and expand our contacts across various levels of our organizations."

The first session began with a presentation by OPEC on recent oil market developments and prospects, which was followed by the EU's presentation which addressed the issue of the impact of recent developments on EU energy supplies and policies, including offshore safety.

EU policy developments were then described, with a particular emphasis on the following three: '*Energy Roadmap 2050*', the internal energy market and offshore safety.

OPEC made a presentation on its long-term strategy, together with an assessment of the long-term oil outlook. It was stated that, in the reference case, oil was expected to remain the leading fuel type in satisfying the world's growing energy needs, with oil demand growing steadily and oil resources largely sufficient.

The conclusions of two recent joint studies and the accompanying meetings, as well as the status of future activities were also presented.

These included the roundtable examining the joint study 'Impact of the use of biofuels on oil refining and fuel specifications' and the results of the workshop on the 'Impact of the economic crisis on oil investment'.

OPEC then provided some initial findings from a joint study on technological advances in the road transportation sector, which covered automotive technologies and fuels, bottlenecks, policies and future changes.

Next, the EU updated OPEC on the Union's actions

regarding the crucial issue of offshore safety in oil and gas exploration and production activities.

The EU also presented a report of the joint taskforce on the establishment of an OPEC-EU Energy Technology Centre (ETC). The taskforce discussed various issues surrounding the establishment of a virtual ETC and both parties agreed to continue to develop this concept further.

Finally, looking forward, the two parties agreed on the following joint EU-OPEC activities for 2011 and 2012: A workshop to discuss the findings of the study on technological advances in the road transportation sector; the completion of preparations with regard to the proposed ETC; and a roundtable on oil and gas exploration and production activities addressing key challenges, such as the safety of offshore operations and shortage of human resources.

9th High-Level Meeting, June 28, 2012, Brussels, Belgium

In welcoming the OPEC team, Günther Oettinger, the EU's Energy Commissioner, praised the Dialogue for its

significant contribution to improving their joint understanding of the global oil markets.

“Our cooperation has matured and we are starting to take an interest not just in traditional consumer-producer issues. It has allowed us to start focusing also on the need for a broader energy base on technological developments in the field of energy, which have an impact on energy demand and supply,” he asserted.

In looking at the current oil market situation, the EU Energy Commissioner said they were again meeting in challenging times.

Oettinger said that he was, however, pleased to say that despite the difficult times, the stable relations achieved by the Energy Dialogue had allowed both the EU and OPEC to stay focused on fostering market stability, in the interests of producers and consumers alike and to ensure sufficient energy supplies.

On the OPEC side, Hani Abdulaziz Hussain, Alternative President of the OPEC Conference and Kuwait's Oil Minister, stressed that the holding of the annual EU-OPEC ministerial meetings was a constant reminder of the importance of the Energy Dialogue in enhancing their understanding of each other's concerns, challenges and priorities.

9th High-Level Meeting, June 28, 2012, Brussels, Belgium

All smiles at the EU-OPEC Ministerial talks. From left to right, Dr Falah J Alamri, Iraqi Governor for OPEC; Hani Abdulaziz Hussain, Kuwait's Oil Minister; Abdalla Salem El-Badri, OPEC Secretary General; Günther Oettinger, EU Energy Commissioner; and Neoklis Sylikiotis, Incoming President of the EU Energy Council and Minister for Commerce, Industry and Tourism of Cyprus.



“Through this forum, we have been able to learn from each other and benefit from each other’s expertise.” he affirmed. “We have improved our channels of communication and we have all made valuable new contacts within the global oil industry. Each of these is a real achievement that can help us now and in the future to achieve energy stability and security, to which we all aspire.”

Turning to the oil industry situation, the Kuwaiti Minister observed that uncertainty about the global economy lay behind much of the present oil price volatility.

“Of course, the debt crisis being faced by the Eurozone concerns us in OPEC. This is partly because of the uncertainty that it is creating across the global economy and the impact that it can have on the oil market. We hope, therefore, that there will be a solution soon to the Eurozone crisis.”

As for crude oil prices, Hussain stressed that the recent high volatility had again been exaggerated by excessive speculation in the global financial markets.

Regarding OPEC, Hussain stressed that the Organization had, as always, been ensuring adequate oil supplies to the markets and not more so than since the beginning of 2011, when many geopolitical factors posed a threat to supplies.

Hussain maintained that any discussion on energy today had to address sustainable development and the environment, issues that were of special significance.

“Our Energy Dialogue is a reflection of this comprehensive commitment to these key, interlinked, multi-lateral objectives. Thus, we welcome the chance to discuss leading energy issues of the day and the emerging trends with our distinguished friends from the EU and we look forward to developing the Dialogue even further at today’s meeting,” he concluded.

During the first session on oil market developments, energy policies and the long-term outlook, Fabrizio Barbaso, Deputy Director General for Energy at the European Commission (EC), provided an overview of the

10th High-Level Meeting, November 11, 2013, Vienna, Austria

Dr Abdel Bari Ali Al-Arousi (third l), Alternate President of the OPEC Conference, Minister of Oil and Gas of Libya, pictured with (l-r) Assimakis Papageorgiou, Incoming Deputy President of the EU Energy Council, Deputy Minister for Environment, Energy and Climate Change, Greece; Nawal Al-Fezaia, Kuwaiti Governor for OPEC; Günther Ottinger, Commissioner for Energy, European Commission (EC); Abdalla Salem El-Badri, OPEC Secretary General; and Jaroslav Neverovič, President of the EU Energy Council, Minister of Energy, Lithuania.



latest set of policies recently adopted by the Commission, with a particular emphasis on the internal energy market and the Energy Roadmap 2050.

Recent oil market developments and prospects were the subject of a report delivered to the meeting by Dr Hasan M Qabazard, Director of OPEC's Research Division. He outlined the various uncertainties facing the oil market, including the debt burden and high unemployment that still existed around the global economic recovery, showing the varying effects across regions.

The meeting's second session focused on the conclusions of a recent joint study, as well as proposals for, and the status of, future joint activities.

The final conclusions of a study on technological advances in the road transportation sector were presented by OPEC.

Details of current and planned future joint activities of the Dialogue were also presented, including an international roundtable on offshore safety in oil and gas exploration and production activities; a study assessing potential human resource demand bottlenecks in the petroleum sector and a roundtable; and a study on energy efficiency and its potential impact on demand.

10th High-Level Meeting, November 11, 2013, Vienna, Austria

The tenth edition was commemorated as a mini-milestone as high-level officials from the two organizations convened in Vienna, pointing to the growing success of the ever-evolving joint energy discussions.

Participants on both sides stressed the remarkable progress that had been made over the ten meetings of the mutually beneficial Dialogue.

The joint communiqué stated that "shared experiences and new insights have enhanced understanding between the two parties, with direct practical implications for their energy sectors."

Dr Abdel Bari Ali Al-Arousi, Alternate President of the OPEC Conference, Minister of Oil and Gas of Libya, alluded to this fact in his opening remarks, stating that the Dialogue had been built into something meaningful — a relationship that OPEC truly valued as one in which both parties were active participants.

He also stressed that they also needed to look at the Energy Dialogue in a broader context. "We should also remember to keep in mind some of the acute challenges facing mankind," he emphasized. "A vast amount

of the world's population lives in severe poverty — even in the 21st century with the miracles of technology that are taken for granted by many. The Rio+20 Conference last year set a landmark by recognizing the important positive contribution of energy towards combating poverty." Al-Arousi noted that this issue had long been a feature of the Energy Dialogue, first appearing at the third meeting in Brussels in 2006.

Al-Arousi stated that it all underlined the importance of a stable, predictable oil market that balanced the needs of producers and consumers and, at the same time, supported steady world economic growth.

From the EU side, Energy Commissioner Günther Oettinger told the meeting that the dialogue with OPEC had been one of the key priorities of the EU's international energy relations.

It had allowed both parties to share expertise and knowledge, produce joint studies, and take part in site visits, as well as cooperating in difficult times when confronted with supply disruptions.

"We have set the path to continue learning from each other. In the near future, we have planned to work together on a number of joint initiatives, such as a study on energy efficiency and a study on the petrochemical industry outlook and challenges," he stated.

The joint communiqué pointed out that the outlook for the oil industry had improved since the 2012 Ministerial Meeting. In fact, for the first time in many years, OPEC had raised its long-term reference case projections for world oil demand growth, it observed.

But they stressed that the Energy Dialogue was well-placed to address the common challenges facing both the EU and OPEC and there was an underlying recognition of the need for stability, both in the energy sector and in national economies, "in the interests of steady, sustained economic growth across the world as a whole."

The first session examined the market outlook and developments from the short term up to 2035, as well as reviewing energy and climate policies.





11th High-Level Meeting, June 24, 2014, Brussels, Belgium
EU, OPEC delegates met at the European Commission's Berlaymont building.

In the next presentation, the EU's 2030 framework for the region's climate and energy policies was addressed by Fabrizio Barbaso, Deputy Director-General, Directorate-General for Energy at the European Commission (EC).

He said the EC had adopted a Green Paper in March this year on '*A 2030 framework for climate and energy policies*', stating that developing such a framework was needed to reduce regulatory risk for investors and to mobilize the funding needed to support progress towards a competitive economy and a secure energy system.

OPEC's Oswaldo Tapia, Head of the Secretariat's Energy Studies Department, then provided an assessment of the long-term oil outlook based on OPEC's forecasting.

Taking the floor again, Barbosa then closed the first session with a review of the EU's key external energy policies.

The second session focused on the current status of the Energy Dialogue and discussed its future activities.

Summaries of the conclusions of the joint studies and roundtables on '*Safety of the offshore oil and gas industry*' and '*Potential manpower bottlenecks in the oil and gas industry*' were also presented.

An update on the Dialogue's current and future

activities was also provided, including the announcement that a joint study on the outlook and challenges for the petrochemical industry would be initiated, followed by a roundtable. Deliberations on another joint study related to energy efficiency were still in progress.

Additionally, joint experts' meetings were planned for technical exchanges and discussions on the most recent oil outlooks and energy scenarios of both OPEC and the EU.

11th High-Level Meeting, June 24, 2014, Brussels, Belgium

The 11th edition of the Dialogue got underway in Brussels with the EU pointing out the key role OPEC had been playing in cushioning against recent oil supply disruptions.

"There was broad agreement on the need for stability, both in the energy sector and in economies, in the interests of steady, sustained economic growth across the world," the joint communiqué stressed at the conclusion of the Meeting.

Both parties pledged to continue to strengthen the Dialogue initiative, which both deemed essential for helping to deal with the challenges that lie ahead.

European Energy Commissioner, Günther Oettinger,

**12th High-Level Meeting,
March 21, 2016, Vienna,
Austria**

The EU delegation to the talks, led by Miguel Arias Cañete (second l), European Commissioner for Climate Action and Energy.

speaking at a press conference after the Meeting, pointed out that the dialogue was ongoing and possessed “a constructive outlook”.

In describing OPEC as a “reliable” Organization, he stated: “We are sure that both parties are interested in continuing to have a high level of secure supplies. This dialogue is in the interest of both the EU and OPEC.”

OPEC Secretary General, Abdalla Salem El-Badri, standing alongside Oettinger, told newsmen that the Organization was “extremely happy” with its dialogue with the EU.

During the deliberations, the EU team presented a report on its ‘2030 framework for energy and climate policies’, which aims at providing market players with a clear and predictable legislative framework that is needed in the energy field where investments have long lead times.

The EU also presented a communication on its ‘European Energy Security Strategy’, which included a number of key initiatives to improve EU energy security, both in the short term, as well as in the medium to long term.

The latest economic and financial developments in

the EU and in the Eurozone were also presented, while the positive signals emerging from regional economies were also underlined.

For its part, OPEC presented an assessment of the short-term and long-term oil market prospects. OPEC emphasized that it remained dedicated to investing in new upstream capacity and infrastructure to ensure future demand was met.

And from the perspective of addressing climate change, it was underscored that the ongoing multilateral negotiations under the UNFCCC were deemed key in the pre- and post-2020 periods.

Both the EU and OPEC underlined the importance of energy technologies, in order to further improve competitiveness and promote diversification of economies.

The future and ongoing activities of the Energy Dialogue were also briefly deliberated with OPEC reporting on the status of the 2014 joint study on the ‘*Petrochemical outlook: challenges and opportunities*’ and a planned roundtable to present a summary of the study.

A proposal to carry out a study in 2015 on ‘non-crude liquid prospects: medium to long-term analysis’ was also presented.



12th High-Level Meeting, March 21, 2016, Vienna, Austria

Both parties reaffirmed their commitment to continue working together to meet and help overcome the current and future challenges in the international energy market.

In a joint communiqué issued after the deliberations, both sides recognized that through the dialogue and other initiatives in global fora and organizations, “cooperation should be enhanced, as should understanding of the behaviour of the energy and oil markets, something which is important to helping achieve future oil market stability.”

Addressing a joint press briefing, European Commissioner for Climate Action and Energy, Miguel Arias Cañete, said: “We expect oil to remain an important fuel in our energy system in the years to come and therefore our current and future economies depend on a stable and affordable supply of oil.”

He added that despite the oil price fluctuations, OPEC had demonstrated to be an efficient, reliable and economic supplier of oil. “And in this context, the

partnership between the EU and OPEC is more important than ever,” he maintained.

OPEC Secretary General, Abdalla Salem El-Badri, responded by stating that the EU-OPEC Dialogue had greatly improved over the years. “We have discussed a lot of subjects together that have a mutual interest.”

Both parties emphasized that the dialogue had come a long way since its establishment in 2005 and was more important than ever in the current context of energy markets.

“Supported by various roundtables, workshops and studies, the Energy Dialogue has resulted in productive joint activities on a wide range of oil and energy-related issues and has brought significant benefits to both sides,” read the communiqué.

Looking ahead, it stated that both the EU and OPEC had noted with concern that the current price environment had considerably reduced investments.

The communiqué observed that the adoption in December 2015 of the ‘Paris Agreement’ to combat climate change was welcomed by both sides.

During a busy meeting agenda, OPEC presented an assessment of short-term oil market prospects in which

*Abdalla Salem El-Badri (r),
OPEC Secretary General,
headed the team from the
OPEC Secretariat.*



it highlighted that lower crude oil prices mainly reflected the ongoing excess crude oil supply over global demand.

On the supply side, it said, lower oil prices had reversed the strong growth trend in non-OPEC supply into an expected contraction in 2016.

OPEC also provided an overview of the long-term oil market outlook, highlighting that energy demand would increase by almost 50 per cent in the period up to 2040, with oil remaining the fuel with the largest share over the next 20 years.

The EU side presented the latest developments in EU energy policies, focusing on the Communication on the State of the Energy Union of November 2015 and the ‘*Security of supply package*’ adopted by the Commission in February 2016.

The main EU energy policy initiatives foreseen for 2016 were also presented. Emphasis was given to a package, to be adopted later this year, which proposed initiatives in energy efficiency, said to be a key tool to achieve the region’s decarbonization objectives and for a more sustainable use of energy.

The EU expressed its willingness and availability to share its experience in the area of energy efficiency with its OPEC partners in the framework of the current Energy Dialogue or in other fora.

It also presented the latest economic developments and outlook in the EU and in the Eurozone area.

Ongoing and future activities of the dialogue were also discussed, including a report on a round-table discussing the outcomes of a joint study on the ‘*Petrochemical outlook: challenges and opportunities*’.

There was also an update on a joint study being undertaken on the prospects for non-crude liquids.

13th High-Level Meeting, November 22, 2018, Brussels, Belgium

The Heads of Delegation from both parties met with Dr Karin Kneissl, the Foreign Minister of the Republic of Austria, which held the Presidency of the Council of the European Union during the time of the Dialogue.

The OPEC Secretary General, in his opening remarks, highlighted the significance of her presence at the meeting.

“I would like to thank Dr Karin Kneissl, the Foreign Minister of the Republic of Austria, for taking the time to meet and express her support for this Dialogue. Her presence here has special significance as Austria currently holds the Presidency of the Council of the

13th High-Level Meeting, November 22, 2018, Brussels, Belgium
OPEC and EU officials in session during the 13th High-Level Meeting of the Energy Dialogue in Brussels.





L-r: Miguel Arias Cañete, Commissioner for Climate Action and Energy, European Commission; Dr Karin Kneissl, Foreign Minister of the Republic of Austria; and Mohammad Sanusi Barkindo, OPEC Secretary General.

European Union and, of course, is the host country for OPEC.”

The Secretary General also acknowledged the importance of this ongoing dialogue with the EU.

“The EU-OPEC high-level dialogue, now in its 13th year, has become a fixed point on our calendars,” he stated. “Since its inception in 2005, we have seen this process of dialogue and cooperation flourish and grow at all levels through the development and evolution of joint activities, workshops, roundtables and reports.”

Since the last meeting of the dialogue, it was noted that the global oil industry had experienced the full spectrum of ups and downs, with both major challenges, as well as an impressive recovery.

This recovery was, in great part, due to the active cooperation between OPEC and its non-OPEC partners of the ‘Declaration of Cooperation’, whose joint efforts rescued the market from one of its worst oil price cycle downturns in history when oil prices fell by more than 80 per cent in mid-2014.

“The highly successful efforts spurred on by the Declaration of Cooperation virtually rescued a global oil

industry that was on the brink of collapse,” the Secretary General said. “Today, thanks in large part to these heroic efforts, we have transformed the industry — fundamentals are generally back on solid ground, and the market is more stable and optimistic. And this has resulted in a slow but steady reawakening of investment across the industry, providing support to the global economy,” said the Secretary General.

During the meeting, representatives from OPEC’s Research Division presented an assessment of short-term oil market prospects, as well as its long-term forecast as presented in this year’s *World Oil Outlook 2018*.

The EU, from its side, provided an update on the latest developments in EU energy and climate policies and the main elements of the Clean Energy for All Europeans Package adopted by the European Commission in November 2016. The main features of different EU energy scenarios to 2030 were also presented and discussed.

The meeting concluded with both parties reiterating their ongoing commitment to the process, and agreed that the next High-level Meeting of the EU-OPEC Energy Dialogue would take place in 2019. 



OPEC-Russia Energy Dialogue

Date established:	2005
Main activities until now:	Six high-level meetings Six technical meetings
Upcoming activities:	7 th High-Level Meeting

Russia is playing a leading role in the ‘Declaration of Cooperation’ process and has co-chaired the Joint Ministerial Monitoring Committee since its inception. However, the Russia-OPEC Energy Dialogue predates this and has served as an extremely productive and fruitful forum. In 1992, Russia was given observer status to the OPEC Conference, and in subsequent years it participated in many OPEC Ministerial Meetings. Moreover, during this period there were also technical exchanges and workshops organized and attended by both sides.

Establishment of the Russia-OPEC Energy Dialogue

On December 26, 2005, a meeting took place in Moscow between delegations headed by Victor Khristenko, Minister of Industry and Energy of the Russian Federation, and Sheikh Ahmad Fahad Al-Ahmad Al-Sabah, OPEC Conference President and Secretary General, who was also Minister of Energy of Kuwait.

The framework for the Russia-OPEC Energy Dialogue was set up at this meeting, determining its objectives, scope, modalities, frequency, and overall structure. It was stressed that there should be a pragmatic and sustained process of dialogue.

It was agreed that there would be annual meetings at a ministerial level, as well as technical exchanges, seminars, joint studies and research. In addition to on-going oil market developments, other areas of interest to the two parties included energy policies,

upstream and downstream investment, data flow, and multilateral issues.

First High-Level Meeting of the OPEC-Russia Energy Dialogue

The First High-Level Meeting of the Russia-OPEC Energy Dialogue was held at the OPEC Secretariat in Vienna towards the end of September 2012, and was attended by a high-ranking delegation from the Russian Federation, as well as officials from OPEC. It was chaired by the Russian Federation’s Minister of Energy, Alexander Novak, and the then OPEC Secretary General, Abdalla Salem El-Badri.

According to a joint press release issued after the talks, the parties exchanged views on the current oil market situation.

Both sides underscored the importance of stable and predictable markets for the long-term health of the petroleum industry and future investments, and above all, the well-being of the global economy. The discussions also covered the Russian Federation’s Presidency of the G20 in 2013 and prospects for cooperation from OPEC.

The OPEC Secretary General stressed that OPEC placed great credence on enhancing its understanding with the Russian Federation.

“We are continually looking to explore and evolve our dialogue and cooperation with other parties. We recognize the value of strong and mutually-beneficial relationships. And I hope that today’s meeting can reinforce the



First High-Level Meeting of the OPEC-Russia Energy Dialogue Delegates from the Russian Federation at their meeting with officials from the OPEC Secretariat in Vienna.



Hands across the table – Russian Minister of Energy, Alexander Novak (l) and OPEC Secretary General, Abdalla Salem El-Badri (r).

bond of cooperation between the Russian Federation and OPEC,” he concluded.

Second High-Level Meeting of the OPEC-Russia Energy Dialogue

At the end of October 2013, a delegation from the OPEC Secretariat, led by the then OPEC Secretary General, Abdalla Salem El-Badri, was in Moscow to participate in the International Energy Week conference and the Second High-Level Meeting of the OPEC-Russia Energy Dialogue.

This followed a meeting between experts from both the Russian Federation and OPEC, who made presentations and exchanged views on various energy and oil-related topics.

The high-level meeting was also attended by a

delegation from the Russian Federation and officials from the OPEC Secretariat. Inputs to this came from the earlier experts’ meeting, which discussed short-term oil market developments and prospects, with much focus on the global economic situation, world oil supply and demand levels and stock movements, as well as the medium- to long-term upstream and downstream oil outlooks, including the associated uncertainties, challenges and opportunities.

In addition, the experts discussed the status and recent developments of shale gas and tight oil. This included such issues as their contribution to the global energy mix, their investment costs, the decline rates for wells and their long-term sustainability, the differences in regulations and policies in various countries, as well as the environmental impacts of extracting these resources.



The Second High-Level Meeting of the OPEC-Russia Energy Dialogue was held in Moscow on October 28, 2013.

Third High-Level Meeting of the OPEC-Russia Energy Dialogue

The Third High-Level Meeting of the OPEC-Russia Energy Dialogue meeting was held in Vienna in mid-September 2014 and was chaired by Abdalla Salem El-Badri, OPEC Secretary General, and Alexander Novak, Minister of Energy of the Russian Federation. It was also attended by a senior Russian delegation and officials from the OPEC Secretariat.

In his opening remarks, the Russian Minister stressed that his country is interested in deepening its cooperation with OPEC on a variety of oil market and

related issues. This included maintaining a balance between oil producers and consumers in the international oil market, working towards the sustainable development of the oil market and maintaining the inflow of investments, as well as looking to consumption levels.

Novak said topics for discussion included detailed oil market developments, petrochemicals, monetary imbalances, both regionally and globally, developments in hard-to-recover oil, liquid hydrocarbons in the United States, as well as closer monitoring of oil trade and conditions.

El-Badri explained that at the meeting, OPEC and

2005 2006 2007 2008 2009 2010 2011

OPEC-Russia Energy Dialogues

Establishment of the
OPEC-Russia
Energy Dialogue
December 26, Moscow





*Third High-Level Meeting of the OPEC-Russia Energy Dialogue
Abdalla Salem El-Badri (c/r), OPEC Secretary General, and Alexander Novak
(c/l), Minister of Energy of the Russian Federation, pose for a group photograph
with their respective delegations.*

2012 2013 2014 2015 2016 2017 2018 2019

1st High-Level Meeting
Sep 25, Vienna



2nd High-Level Meeting
Oct 28, Moscow



3rd High-Level Meeting
Sep 16, Vienna



4th High-Level Meeting
Jul 30, Moscow



5th High-Level Meeting
Oct 24, Vienna



6th High-Level Meeting
May 31, Moscow



7th High-Level Meeting
Vienna



Russia expressed comparable views on the energy and oil outlook.

“Like OPEC, Russia — as the world’s largest producer of oil and second-largest producer of natural gas — is a very important player on the global energy scene.

“As major oil producers, investors and exporters in the industry, we are both similarly affected by uncertainties in the global economy, energy policy trends and regional issues. With this common background, there are many benefits we can each take from our work together.”

El-Badri maintained that sharing analyses and perspectives of the short, medium and long term, as well as the potential impact of various scenarios on the oil market, provided both OPEC and Russia with valuable

information that could be used to make the respective analyses more accurate.

“We are also keen on maintaining stability in the oil market and in price levels, reducing risks in the huge projects and investments required and ensuring reliable uninterrupted supplies,” he told the meeting.

Fourth High-Level Meeting of the OPEC-Russia Energy Dialogue

The Fourth High-Level Meeting of the OPEC-Russia Energy Dialogue was held in Moscow on July 30, 2015. The Meeting was chaired by Alexander Novak, Minister of Energy of the Russian Federation and Abdalla Salem El-Badri, the then Secretary General



Fourth High-Level Meeting of the OPEC-Russia Energy Dialogue

Representatives from Russia included Alexander Novak (eighth right), Minister of Energy of the Russian Federation; and (l-r): Vladimir Feygin, Director, Institute for Energy and Finance; Talyat Aliev, Deputy Director of the Department of International Cooperation, Ministry of Energy; Roman Marshavin, Assistant of the Energy Minister; Vladimir Voronkov, Permanent Representative of the Russian Federation to the International Organizations in Vienna; Alexey Teksler, First Deputy Minister, Ministry of Energy; Anton Ustinov, Counselor to the President of the Russian Federation; Eugeny Stanislavov, Director of the Department of Economic Cooperation, Ministry of Foreign Affairs; Anatoly Tikhonov, General Director, Russian Energy Agency of the Ministry of Energy; Andrey Gaidamaka, Vice President for Investors Relations, PJSC «Lukoil»; Konstantin Simonov, General Director, National Energy Security Fund; Alexander Erkov, Deputy Director of the Department of Oil and Gas Extraction and Transportation; Natalia Nozdrina, Head of Division of the Department of International Cooperation, Ministry of Energy.

of OPEC. It was attended by senior executives of the national oil companies of Russia, representatives of the academic community of the Russian Federation, as well as senior representatives of the OPEC Secretariat in Vienna, Austria.

According to a joint press release issued at the end of the one-day event, such meetings had developed a regular character which contributed to the energy dialogue and facilitated the exchange of views on pertinent issues with regard to the world oil market. The meeting focused on short-term oil market developments, as well as medium- to long-term prospects. The deliberations also included the outlook for petrochemicals and fiscal regime perspectives in the Russian oil sector.

It was stressed during the meeting that price volatility and the general oversupply in the oil market observed in previous quarters had been less conducive for market stability.

“Despite current uncertainties, signs of a more balanced market in 2016 may provide much desired stability to the oil market in the longer term, a prerequisite for the continuity of timely and adequate investments,” said the press release.

Fifth High-Level Meeting of the OPEC-Russia Energy Dialogue

The Fifth High-Level Meeting of the OPEC-Russia Energy Dialogue was held at the OPEC Secretariat in Vienna



The OPEC Secretariat team with Abdalla Salem El-Badri (fourth right), Secretary General of OPEC; and (r-l), Nadir Guerer, Senior Research Analyst; Abdullah Al-Shameri, Advisor in the Office of the Secretary General; Oswaldo Tapia, Head, Energy Studies Department; Dr Hojatollah Ghanimi Fard, Head, Petroleum Studies Department; Ms Hend Lutfi, Fiscal Policy Analyst; Dr Aziz Yahyai, Senior Research Analyst; and James Griffin, Editor/Speechwriter.



Fifth High-Level Meeting of the OPEC-Russia Energy Dialogue
Alexander Novak (c/l), Minister of Energy, Russian Federation; Mohammad Sanusi Barkindo (c/r), OPEC Secretary General; with members of the OPEC Secretariat team and the Russian delegation.

on October 24, 2016. The Meeting was jointly chaired by Mohammad Sanusi Barkindo, Secretary General of OPEC, and Alexander Novak, Minister of Energy of the Russian Federation.

“The OPEC-Russia Energy Dialogue has become an established platform, among others, to discuss the variety of challenges that we face, as well as the opportunities that our industry continues to offer,” Barkindo said in his opening remarks.

“Over the years, our bilateral cooperation has flourished and we value the direct and open channels of communication that have evolved,” he stated.

Barkindo stressed that the leadership role of the Russian Federation is crucial in combating the current energy challenges that are often intertwined and complex in nature. “I am sure that this meeting will

be enriched and informed by the insights and experiences of everyone here as we look to further build this Dialogue and explore ways and means to work collectively to bring about the sustainable market stability we all desire,” he said.

Sixth High-level Meeting of the OPEC-Russia Energy Dialogue

The Sixth High-Level Meeting of the OPEC-Russia Energy Dialogue was held on May 31, 2017, in Moscow and was co-chaired by Alexander Novak, the Minister of Energy of the Russian Federation; Khalid A Al-Falih, Minister of Energy, Industry and Mineral Resources of the Kingdom of Saudi Arabia, who also served as President of the OPEC Conference in 2017; and Mohammad Sanusi

Barkindo, Secretary General of OPEC. It was also attended by a delegation of OPEC officials and senior executives of Russia's various national oil companies, as well as representatives of the academic community of the Russian Federation.

During the meeting, officials considered the short-term oil market outlook, and discussed the prospects for the market's medium- and long-term outlook. Some consideration was also given to various projections for non-OPEC supply in 2017 and 2018. Additionally, the Parties recognized a common understanding to expand research and analysis activities.

In a joint communiqué published on the day of the meeting, the Parties noted that "the OPEC-Russia Energy Dialogue continues to represent a valuable contribution among producing countries towards collective efforts in support of sustainable market stability.

The ongoing success of OPEC and non-OPEC cooperation, as demonstrated last week by the extension of the Declaration of Cooperation, is a clear reflection of these engagements."

Blossoming relationship

There is no doubt that this great collaborative project between Russia and OPEC has been a force for good, benefiting consumers and producers. Yet, it is also just the beginning of a partnership that has a glorious future ahead of it and can continue to do so much to benefit so many.

It is a tremendous boon for OPEC that Russia is now a reliable and integral member of the OPEC family. This underscores Russia's commitment to fulfilling its responsibilities as a producer and being a world leader in the international community. 



Sixth High-level Meeting of the OPEC-Russia Energy Dialogue

At the Sixth High-level Meeting of the OPEC-Russia Energy Dialogue, OPEC officials, headed by OPEC Secretary General, Mohammad Sanusi Barkindo, and Khalid A Al-Falih, President of the OPEC Conference, and Saudi Arabian Minister of Energy, Industry and Mineral Resources, met with Alexander Novak, the Russian Federation's Minister of Energy and other officials from the Russian government.



OPEC-India Energy Dialogue

Date established:	2015
Main activities until now:	Three high-level meetings Two technical meetings
Upcoming activities:	3 rd Technical Meeting and 4 th High-Level Meeting

OPEC Secretary General, Mohammad Sanusi Barkindo, has prioritized a strong relationship with India during his tenure at the helm of the Organization. Contact between both parties has been regular, with the Secretary General visiting New Delhi numerous times on official trips since assuming office. Many distinguished visitors from India have visited the OPEC Secretariat. The Energy Dialogue with India began in 2015 and has subsequently evolved from strength-to-strength.

First High-Level Meeting of the OPEC-India Energy Dialogue

Dharmendra Pradhan, India's Minister of Petroleum and Natural Gas and Skill Development and Entrepreneurship, is a veteran of OPEC affairs. He co-chaired the first ever High-Level Meeting of the OPEC-India Energy Dialogue, which took place in New Delhi in December 2015.

At the meeting, India's development and the strong and important relationships between India and OPEC Member Countries was emphasized in opening remarks delivered by Pradhan and Abdalla Salem El-Badri, who was then OPEC Secretary General.

Pradhan welcomed the OPEC delegation and highlighted the importance of OPEC to India. He stated that around 85 per cent of its crude and nearly 90 per cent of its gas requirements are coming from OPEC's Members. He then underlined that OPEC's role as an energy supplier to India is expected to grow in the future, given the country's increasing economic activity and improving living standards that will lead to higher energy consumption.

El-Badri, on a similarly positive note, thanked the hosts and underscored the ever-expanding relationship between India and OPEC's Member Countries. He highlighted that between 2000 and 2014, trade between India and OPEC had grown substantially. "For example, India's overall imports from OPEC increased from just over \$4 billion to almost \$155bn. And in the other direction, OPEC's total imports from India increased from just under \$4bn to close to \$70bn."

The opening remarks from Pradhan and El-Badri set the scene for subsequent presentations from others present at the meeting. In total, there were around 30 attendees, including Indian ministry officials, senior Indian oil executives and representatives from the OPEC Secretariat.

In concluding, both parties expressed their satisfaction with the first meeting and stressed that this kind of dialogue could create more confidence between OPEC, its Member Countries and India.

Pradhan said that this dialogue will help India and OPEC to better understand each other's interests and concerns, so as to develop a better working relationship. And El-Badri said that he hoped this first step leads to "constructive and positive cooperation ... and allows us to turn ideas into concrete actions that benefit us all."

Petrotech in 2016

In December 2016, Barkindo, who had assumed the position of OPEC Secretary General in August 2016, visited

Discovery Well No 1 DIGBOI oil field: OPEC visitors and other dignitaries assemble at India's first commercial oil well.



*Second High-Level Meeting of the OPEC-India Energy Dialogue
Mohammad Sanusi Barkindo (c), OPEC Secretary General; with Dharmendra Pradhan (l), India's Minister of Petroleum and Natural Gas; and Hasan Hafidh (r), Head, PR and Information Department; during the press conference.*

and met with Pradhan, at Petrotech, an international oil and gas conference held in New Delhi.

The Minister officially welcomed the Secretary General to India, on behalf of Prime Minister Narendra Modi and his government, and congratulated him for his ongoing efforts to ensure a return to oil market stability. He also thanked him for his participation at Petrotech, which he saw as an outgrowth of the already established energy dialogue between OPEC and India.

The Minister also expressed support for OPEC's ongoing efforts to support producer-consumer dialogue worldwide, noting that he was looking to further play a constructive role in these efforts, particularly given India's own growing role as an oil producer.

The Secretary General replied by saying he would continue to pay special attention to the dialogue already established with India, which he hoped could be expanded further. He noted that India was not just important as a consumer, but increasingly as a producer as well, and said that it should be possible to look into having more regular interactions with the country at a technical level and to work towards solid partnership opportunities.

Second High-Level Meeting of the OPEC-India Energy Dialogue

The Second High-Level Meeting of the OPEC-India Energy Dialogue was held on May 22, 2017, in Vienna. The Meeting was co-chaired by Barkindo and Pradhan, and focused on building on the successful beginnings of 2015 and 2016.

Pradhan initially paid a courtesy visit to the Secretary General before the meeting convened. The two discussed the short-term oil market situation, including developments since the landmark decisions taken by OPEC Member Countries and 11 (now ten) non-OPEC nations as the end of 2016. The Secretary General told the Minister that OPEC and participating non-OPEC nations remain steadfast and resolute in seeing through this market rebalancing process, in the interests of both producers and consumers, and the global economy as a whole.





Dharmendra Pradhan (second r), India's Minister of Petroleum and Natural Gas, with his team.

The two Heads of Delegation also shared their thoughts on the benefits of the producer-consumer dialogue, with specific reference to the International Energy Forum (IEF).

In his opening comments to the meeting, the OPEC Secretary General recalled the extremely warm welcome he received from Minister Pradhan when he spoke at the Petrotech conference in New Delhi in December 2016, as well as his valued support for OPEC's oil market stabilization measures. He also noted the bold economic reforms undertaken by Indian Prime Minister Narendra Modi. In terms of the dialogue, Barkindo said it was easy to appreciate the value and substance of the ongoing cooperation, particularly when looking at the ever-expanding relationship between India and OPEC's Member Countries.

He also highlighted the fact that with India's high growth rates and its dynamic services and strong manufacturing sectors, the country has become a global economic powerhouse. He stated that he saw tremendous value and substance in the Energy Dialogue, particularly when looking at the ever-expanding cooperation between India and OPEC's Member Countries.

Pradhan, in his opening remarks, also underlined the importance of the Energy Dialogue, as well as the cooperation between OPEC Member Countries and India with

86 per cent of the country's crude oil imports coming from OPEC nations. He also emphasized the importance of India's expanding refining and petrochemicals sector. His delegation included India's seven Chief Executives from both the public and private sectors, who head all 23 refineries in India that process around 4.7 million barrels/day.

The high-level meeting saw presentations from OPEC on short-term oil market developments, as well as the long-term energy outlook. This included some analysis on the ongoing forecast for the oil market rebalancing, the outlook for the global economy, oil supply and oil demand for the remainder of 2017, as well as medium- and long-term challenges and opportunities. The Indian delegation presented on the potential for long-term crude and gas supply cooperation between India and OPEC Member Countries.

As the joint conclusion of the meeting noted: "Both parties underscored the importance of further expanding direct dialogue between Indian companies and their counterparts in OPEC Member Countries, particularly in the downstream, to help meet the ever-growing demand for oil in India. It was underlined by both parties that such meetings are of great benefit to this valuable and expanding energy dialogue, and to facilitate the exchange of views on pertinent issues with regard to global oil and energy markets."



*Third High-Level Meeting of the OPEC-India Energy Dialogue
Group photo of the officials attending the third High-level Meeting of the OPEC-India Energy Dialogue.*

Third High-Level Meeting of the OPEC-India Energy Dialogue

The Third High-Level Meeting of the OPEC-India Energy Dialogue was held on October 17, 2018, in New Delhi, India. The Meeting was again co-chaired by Pradhan and Barkindo.

Both parties reiterated the continued importance of the OPEC-India Energy Dialogue as an indispensable forum for fostering good relations, facilitating knowledge exchange and pooling technical expertise. The regularity of interaction between both sides was commended and Barkindo thanked Pradhan for his active participation and valuable contribution to the 7th International OPEC Seminar.

Discussions thereafter focused on current developments in the oil market and OPEC provided an update on its ongoing cooperation with non-OPEC producing countries under the umbrella of the 'Declaration of Cooperation'.

In his opening remarks Barkindo said: "India is an extremely important partner for OPEC, and all of us in the Organization are determined to continue strengthening the relationship."

Technical Meetings of the OPEC-India Energy Dialogue

A technical meeting of experts from OPEC and India was also held following the second High-level meeting on May 22, 2017, in Vienna to analyze various issues, as well as look at ways and means to enhance the cooperation in the coming years.

In the technical meeting, OPEC focused on the long-term oil demand outlook in the Asia-Pacific, with a particular emphasis on India. This included an analysis of trends and drivers for future oil demand in various sectors of consumption, with a special focus on the road transportation and petrochemical sectors. India considered the country's long-term energy demand, as well as its energy mix, in the light of energy and climate change policies.

The 2nd technical meeting took place in New Delhi, India, on October 16, 2018. This meeting sought to analyze various issues, as well as look at ways and means to enhance the cooperation in the coming years. It was also suggested that knowledge and information be shared on a permanent basis.

“Our experience with OPEC is very good ... OPEC is no longer a producer countries’ club, they are also looking into the interests of consumers ... OPEC is very accommodative of our view.”

—Shri Dharmendra Pradhan



Shri Dharmendra Pradhan,
Minister of Petroleum and
Natural Gas, India.

India in the World Oil Outlook

One of the key takeaways from OPEC’s most recent edition of the *World Oil Outlook (WOO)* 2018 is the pivotal importance that India will play in the future of the global oil industry and economic growth.

The WOO forecasts that primary energy demand, globally, is expected to increase by 33 per cent, or 91m boe/d, between 2015 and 2040. A massive 24 per cent of this anticipated increase will be from India, or 22m boe/d. World oil demand is expected to increase by 14.5m b/d, increasing from 97.2m b/d in 2017 to 111.7m b/d in 2040. India will account for oil demand growth of 5.8m b/d, which represents an astonishing 40 per cent of the overall increase. Therefore, the WOO concludes that India is projected to see the largest additional oil demand (3.7 per cent/annum) and the fastest growth in the period to 2040.

This impressive growth reflects the remarkable transformation of the Indian economy during the forecast

period. The WOO estimates that India’s economy will grow at an average annual rate of 6.5 per cent for the period 2017–40. Real GDP is expected to surpass OECD Europe by 2035, and by 2040, it is anticipated to even surpass OECD America.

Blossoming relations

The success of the dialogue has been attested by Dharmendra Pradhan in other forums. At ADIPEC 2018, the Minister stated: “Our experience with OPEC is very good ... OPEC is no longer a producer countries’ club, they are also looking into the interests of consumers ... OPEC is very accommodative of our view.”





OPEC-China Energy Dialogue

Date established:	2005
Main activities until now:	Two high-level meetings Two technical meetings
Upcoming activities:	3 rd High-Level Meeting

There is an old proverb in China which says, “the going is difficult when doing it alone; the going is made easier when doing it with many others.” These sentiments have underpinned the OPEC-China Energy Dialogues, which has evolved into a key platform for data sharing, openness and transparency.

First High-Level Meeting of the OPEC-China Energy Dialogue

The China-OPEC Energy Dialogue was established in Beijing, the People’s Republic of China, December 22, 2005. The Chinese delegation was headed by Minister Ma Kai, who was then Chairman of the National Development and Reform Commission (NDRC), and from the OPEC side by Sheikh Ahmad Fahad Al-Ahmad Al-Sabah, who was then President of the OPEC Conference, Secretary General and Kuwait’s Minister of Energy.

At this meeting, it was agreed that the purpose of the Energy Dialogue should be to establish a balanced, pragmatic framework for cooperation, and develop an ongoing exchange of views at all levels on energy issues of common interest, particularly with regard to security of supply and demand, in order to enhance market stability.

The Joint Statement following this meeting stated: “The Energy Dialogue covers broad issues and will build upon the existing oil and gas bilateral investment and trading relations between China and many OPEC Member Countries. In doing so, it will provide an insight into critical global energy issues as well as identify potential areas for cooperation.

“Both parties believe that effective producer-consumer dialogue provides a ‘win-win’ situation for all participants, as well as for the industry as a whole.

“The framework for the China-OPEC Energy Dialogue was set up at today’s meeting, determining its objectives, scope, modalities and overall structure. It was stressed that there should be a pragmatic and sustained process of dialogue, that would maintain its momentum at all times, regardless of short-term developments in the market.”

Meetings at the technical level

In April 2006, the first round of high-level technical roundtables between OPEC and China took place at the OPEC Secretariat in Vienna. The current OPEC Secretary General, Mohammad Sanusi Barkindo, represented OPEC at that time. As Acting Secretary General, Barkindo chaired the 1st High-Level OPEC-China Roundtable and developed a strong rapport with Xu Dingming, then Vice Chairman, Director General of the Energy Bureau, NDRC, and head of the Chinese delegation. This event was a milestone of sorts, as it saw the participation of high-level representatives from the China National Petroleum Corporation (CNPC), the China Petroleum and Chemical Corporation (Sinopec) and China’s Energy Research Institute.

The second high-level roundtable took place on October 24, 2007, held in Beijing. The event was yet another display of the sincere commitment of both parties to dialogue.

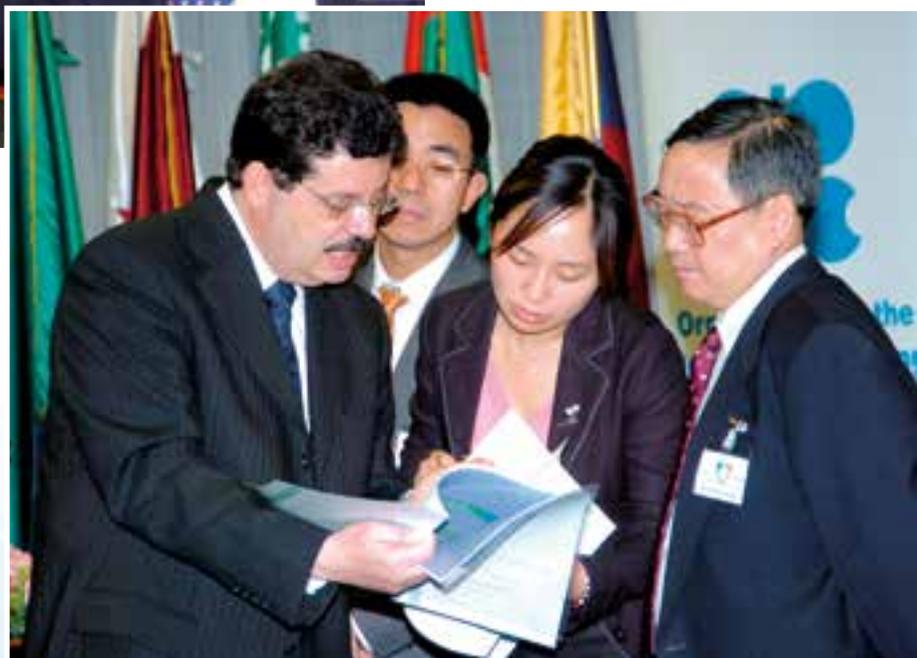


First High-Level OPEC-China Roundtable, April 27–28, 2006, Vienna Acting for the Secretary General, Mohammed Barkindo (l), with the vice chairman, director general of the Energy Bureau, National Development and Reform Commission (NDRC) and head of the Chinese delegation, Xu Dingming.

Abdalla Salem El-Badri, then OPEC Secretary General, led the Secretariat delegation, while the National Representatives of Kuwait and the Islamic Republic of Iran to OPEC, Nawal Al-Fuzaia and Javad Yarjani, respectively, led their countries' teams. Other senior ministry and NOC officials led the delegations of Indonesia, Qatar, Kuwait, the United Arab Emirates and Venezuela.

The Chinese delegation comprised senior officials from various Departments of the NDRC, led by Zhao Xiaoping, then Director General of the Energy Bureau of the NDRC, as well as senior executives from Chinese oil companies.

In his opening remarks, OPEC Secretary General, Abdalla Salem El-Badri, welcomed the dialogue that began the previous year and acknowledged the huge strides the Chinese economy has made in the last few years. He also assured the meeting that OPEC Member Countries will continue to support China's economy by providing it with the petroleum it requires, both adequately and timely, noting with satisfaction that "today the top three crude oil suppliers to China are OPEC



Chinese and OPEC delegates to the roundtable.

Member Countries: Saudi Arabia, Angola and the Islamic Republic of Iran."

On September 28, 2015, in Vienna, a delegation from the National Energy Agency headed by Vice Administrator, Zhang Yuqing, held a high-level meeting with OPEC, where it was agreed to revive the OPEC-China Energy Dialogue. At this meeting, there was clear enthusiasm on both sides to enhance relations and explore possibilities for knowledge exchange. It also reflected ongoing and substantive efforts by the Chinese Embassy in Austria,



Second High-Level OPEC-China Energy Roundtable, Beijing, October 24, 2007
Abdalla Salem El-Badri, OPEC Secretary General.



Zhao Xiaoping, Director General of the Energy Bureau, National Development and Reform Commission (NDRC).

with whom OPEC has developed a fruitful and mutually beneficial cooperation.

There was a further opportunity for interaction when OPEC attended the inaugural International Petroleum and Natural Gas Enterprises Conference, which took place in Hangzhou, between September 17 and 19, 2017. The conference, which aimed to promote Zhejiang's Free Trade Zone, afforded the opportunity for several meetings with various department leaders and dignitaries in the Chinese Government.

Second High-Level Meeting of the OPEC-China Energy Dialogue

The Second High-Level Meeting of the OPEC-China Energy Dialogue was held on December 12, 2017, in Beijing. Attendees on the Chinese side included senior executives from the NEA, CNPC and Sinopec.

In his opening remarks, the OPEC Secretary General emphasized the critical and expanded role that China

will play in future energy demand and the desire to pool collective expertise. He stressed that it is only through open and transparent dialogue and a spirit of collegiality among all stakeholders that challenges can be overcome and mutually beneficial outcomes reached. Barkindo also provided an update on the outcomes of the 173rd Meeting of the OPEC Conference and the 3rd OPEC and non-OPEC Ministerial Meeting.

The opening remarks were complemented by technical presentations by relevant experts from both the OPEC and Chinese sides. The OPEC Research Division provided presentations on the 2017 edition of the *OPEC World Oil Outlook (WOO)*, as well as on the Asian energy and oil outlook, with a specific focus on China. Experts from China presented on the country's 13th Five-Year Plan in relation to China's oil and gas industry and related policies, as well as the prospects for oil and gas development.

According to the Joint Conclusion following the meeting, "Both parties agreed that the Meeting



Mohammad Alipour-Jeddi, Head of OPEC's Petroleum Market Analysis Department, during a presentation at the Second High-Level OPEC-China Energy Roundtable.

marked a turning point in relations between China and OPEC. The importance of China as a major consumer and producer of oil, as well as an engine of global economic growth, makes intensified cooperation between both parties a necessity. This is not only in the interests of China and OPEC Member Countries, but also the global economy.”

In welcoming the progress achieved at the meeting, the OPEC Secretary General said: “I am absolutely delighted by the outcome of our meeting. Our Chinese friends have been warm and hospitable hosts. Given the enormous goodwill on both sides, I look forward to the many accomplishments that will be achieved in the future as a result of the thriving OPEC-China partnership.”

Importance of China in OPEC's World Oil Outlook

One of the key conclusions of OPEC's most recent edition of the WOO, published in September 2018, is the growing importance of China for both the global economy and the future of the oil industry. In 2017, China accounted for 18 per cent of global GDP. By 2040, this is expected to increase by six percentage points to 24 per cent.

The WOO states: “China will remain of central importance to medium-term global economic development. The importance is threefold, namely the country's generally rising economic weight in the global economy, its importance as a trading partner and finally its weight as a commodity consumer. Hence, the development of China's



Second High-Level Meeting of the OPEC-China Energy Dialogue
 OPEC and Chinese delegates at the 2nd High-level Meeting of the OPEC-China Energy Dialogue, December 2017.

economy is considered to be of greater economic importance than its pure weight in global GDP would suggest.”

Looking at global energy demand growth, it is expected to increase by approximately 91 million barrels of oil equivalent/day between 2017 and 2040. Approximately 23 per cent of this increase will come from China.

A similar trend can be observed with regard to oil demand, which is expected to grow by 14.5m b/d, from

97.2m b/d in 2017 to 111.7m b/d in 2040. China will account for a staggering 38 per cent of this growth.

China will also be a leader in the expansion of refining capacity, in both the medium and long term. At the global level, 7.8m b/d of new distillation capacity is expected between 2018 and 2023. 1.7m b/d, or approximately 20 per cent, of this will be located in China. Long-term distillation additions follow a similar trend, reaching close to 18m b/d by 2040 worldwide.

2005 2006 2007 2008 2009 2010 2011

OPEC-China Energy Dialogues

- 1st High-Level Meeting
Dec 22, Beijing 
- 1st High-Level Roundtable
April, Vienna 
- 2nd High-Level Roundtable
Oct 24, Beijing 



Mohammad Sanusi Barkindo, OPEC Secretary General, during his keynote speech to the Second High-Level Meeting of the OPEC-China Energy Dialogue in Beijing.

2.6m b/d of this will be in China, roughly 15 per cent of the global figure.

Greater refinery capacity in the region will necessitate greater quantities of crude. Significantly for OPEC, this will be reflected in trade flows until 2040, as Chinese imports expand and the volume of OPEC exports becomes higher. According to our estimates, crude exports from OPEC Member Countries to China will increase by close to 3m b/d between 2016 and 2040, rising from 4.8m

b/d in 2016 to more than 7.5m b/d in 2040, representing around 18 per cent of the world's total crude oil trade between major regions by 2040.

So it is absolutely clear that for the foreseeable future, China will be one the most important outlets for OPEC barrels and hence the importance of the OPEC-China Energy Dialogue.

The 3rd High-Level meeting is expected to take place in Vienna, Austria, in the first quarter of 2019.

2012 2013 2014 2015 2016 2017 2018 2019

2nd High-Level Meeting
December 12, Beijing



3rd High-Level Meeting
Vienna



Asian Energy and Oil Outlook

Date established:	2015
Main activities until now:	Four meetings, last one in Vienna, October 24, 2018
Upcoming activities:	5 th meeting

No discussion on the future of the energy and oil industries is complete without due regard being given to the growing importance of Asia. As the world's most populous continent, it will be the engine of economic growth and the epicenter of energy demand.

For this reason, over the last four years, OPEC has made the Technical Meeting on Asian Energy and Oil Outlook a regular feature in its calendar of events. The most recent iteration of the meeting took place in October 2018, and the event once again underscored its value as a forum of knowledge exchange on pressing energy issues.

Importance of Asia for Energy Future

The 4th Technical Meeting on Asian Energy and Oil Outlook was held at the OPEC Secretariat in Vienna. The event was aimed at enabling technical exchange among experts from major energy and oil consuming countries. Delegates from a diverse range of OPEC Member Countries, as well as government officials from Asian nations and key players from the private sector attended the meeting. Experts from the OPEC Secretariat participated as presenters and discussants. The discussions focused primarily on the Asian energy and oil outlook, energy and policy analyses of key countries in the region, as well as associated uncertainties within the context of global developments.

OPEC Secretary General, Mohammad Sanusi Barkindo, opened the meeting by emphasizing that strengthening and enhancing cooperation with its partners in the energy industry is a priority for OPEC.

"Such dialogue is crucial given that Asia is, and will continue to be, a major centre of economic growth, playing a pivotal role in the future of the energy industry," he said. "OPEC is determined to have a constructive

relationship with its counterparts in Asia and be regarded as a reliable partner."

He then provided an overview of the events leading to the 'Declaration of Cooperation' and the rationale behind the historic decision. The consequences of the success of the 'Declaration of Cooperation' for Asia were also outlined.

Perspective from the World Oil Outlook

The Secretary General then described the pivotal role Asia will play in the future of the world's energy outlook, stating, "According to our latest data, global energy demand between 2015 and 2040 will increase by about 91 million boe/d to eventually reach 365m boe/d, according to the reference case in OPEC's 2018 World Oil Outlook. But more than half of this will come from Asia."

The Secretary General continued by stating, "A similar trend can be seen in terms of oil demand projections for non-OECD Asian countries. Overall, compared to the 2017 base, our Outlook sees global long-term oil demand increasing by 14.5m b/d to reach 111.7m b/d by 2040. But in non-OECD Asian countries, oil demand is expected to grow by approximately 15m b/d through 2040. This is notably larger than any other region in the world. In both the medium- and long-term, the Asia-Pacific region is also set to be a leader in the expansion of refining capacity.

At the global level, 7.8m b/d of new distillation capacity from all assessed projects is expected through 2023. Approximately half of this will be located in Asia. This shall be accompanied by an additional 3.3m b/d of conversion units, 6.7m b/d of desulphurization capacity and 1.7m b/d of octane units, according to our 2018 Outlook. Needless to say, increased refinery capacity in

Asia will certainly require greater quantities of crude. This is reflected in the forecast for trade flows, which sees Asia-Pacific imports expanding.

Our latest estimates show crude exports from the Middle East to the Asia-Pacific region increasing by around 7m b/d in the period to 2040, rising from 14.5m b/d to 21.5m b/d. This will make the Asia-Pacific region the primary outlet for Middle Eastern crude.”

The Secretary General concluded his remarks by reminding participants about the interdependent nature of the oil industry, stating, “The complexity of today’s markets, however, underscores the importance of forums like the one today. Increasingly, it seems such opportunities are indispensable for our industry. We are thus pleased to host a gathering in which we can come together and engage in open dialogue, with a collaborative spirit.”

Emerging trends and technologies

Following the remarks, OPEC colleagues provided two presentations covering the Organization’s forecasts for the short-, medium- and long-term outlooks for the oil market, from both the Asian and global perspectives. These presentations were followed by two others: one from Japan’s Institute of Energy Economics, focusing

on Asia, and another one from the Economic Research Institute for ASEAN and East Asia.

Session Two focused on the outlook for natural gas. This session included contributions from the Gas Exporting Countries Forum, BP and Tokyo Gas, whose experts focused on the drivers behind the growing share of natural gas in the global energy mix and its rapid penetration in various sectors. Various scenarios were considered, as well as the prospects for expanded LNG use and the implications that fast natural gas growth may have on liquids supply.

Finally, in Session Three, there were country presentations from India, Korea and Japan focusing on the short- to medium-term prospects for their countries.

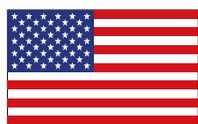
The comprehensive presentations and thought-provoking discussions that followed facilitated a fruitful and productive exchange among participants. The significance of pursuing such initiatives designed to promote cooperation, through dialogue and technical exchange, was reiterated.

The contributions of senior experts across the industry enhanced knowledge-sharing and information-exchange. Therefore, the participants recommended continuing this instrumental technical dialogue and close interaction on a yearly basis and exploring the possibilities of expanding it.



Participants at the 3rd Technical Meeting on Asian Energy and Oil Outlook pose for group photo.





OPEC-US Energy Dialogue

Date established:	2016
Main activities until now:	Meetings every year, last meetings held during CERAWeek, March 2018 WOO 2017 rollout
Upcoming activities:	CERAWeek WOO rollout expected with EIA, CSIS, IMF and World Bank

Since 2017, the OPEC Secretariat has expanded the Organization's North American outreach, particularly with US independent producers that had driven the country's tight oil boom.

At CERAWeek in Houston in March 2017, the OPEC Secretary General, Mohammad Sanusi Barkindo, and an accompanying OPEC delegation, opened up a dialogue or what could be termed a 'communication' channel so that OPEC could better understand the perspectives of North American independents, and vice versa.

What ensued at CERAWeek 2017 were a couple of significant high-level get-togethers between OPEC and US oil industry Chief Executive Officers (CEOs), leaders and innovators that allowed these key industry stakeholders to informally engage with each other.

Historic get together

The Secretary General called these meetings "historic", and stressed that "we all belong to the same industry, we have all felt the brunt of the volatility the market has experienced over the past two years or so and we all want to see the restoration of stability". He said that with confidence returning to the industry and given the fact that "oil will be a major source of energy for the foreseeable future", it is vital to better understand the viewpoints of all industry stakeholders.

The opening of this dialogue also provided an opportunity for high-level briefings on key elements of the historic 'Declaration of Cooperation' between OPEC and non-OPEC producers, and a means to underscore OPEC's key role in market stabilization efforts.

The constructive and encouraging nature of the talks was exemplified in some of the positive post-meeting comments regarding OPEC's outreach from those North American independents present.

Speaking to Bloomberg, John Hess, Chief Executive Officer of Hess, said: "It was a very good exchange of information and views about oil ... I really commend the OPEC Secretary General for the outreach. It was a good talk." Scott Sheffield, then Executive Chairman of the Board of Pioneer Natural Resources, also in comments to Bloomberg, said: "I am seeing a series of meetings where OPEC is reaching out and spending more time with US independents than I have seen over my entire career."

"They are asking questions, the same questions we are asking," Barkindo told a gathering of reporters following the meetings. "We are all learning, because this is new in the world of oil." He added that, he hoped that this was "just the beginning of the dialogue."

Directly following CERAWeek 2017, the Secretary General also visited the offices of the Atlantic Council in Washington DC to present to a variety of high-level delegates, including former Ministers, government officials, investors, and other industry stakeholders, on the current state of the market, and the landmark 'Declaration of Cooperation'.

To support these efforts, in December 2017, an OPEC delegation visited the US to present the findings of the World Oil Outlook (WOO) 2017 at meetings with the Energy Information Administration (EIA), the Center for Strategic and International Studies (CSIS), both in Washington, DC, and the International Monetary Fund (IMF)/World Bank.

Follow up in 2018

In March 2018, OPEC repeated the successful visit to CERAWeek to continue its US dialogue initiative. This time, alongside the OPEC Secretary General, a number of OPEC Ministers, including the OPEC Conference President in 2018, Suhail Mohamed Al



At the 2017 edition of CERAWEEK, Mohammad Sanusi Barkindo (l), OPEC Secretary General; with Daniel Yergin (r), Vice Chairman, IHS Markit, and Chairman of CERAWEEK.

Mazrouei, the UAE’s Minister of Energy and Industry, attended a reception and dinner dialogue with CEOs of North American oil and gas independents to informally engage with these key industry stakeholders.

Following the dinner, Barkindo said: “It was worthwhile, very educating listening to experiences from various players ... We had a very open, frank and lively conversations on a current state of the cycle and we also compared notes from our experiences during these cycles, how we should proceed going forward. I was very surprised by the high-level of turnout, as well as the interest they have shown in continuing this energy dialogue.”

The continued interactive nature of the talks was viewed as extremely constructive, with Tim Dove, CEO of Pioneer Natural Resources, speaking to reporters after the dinner, saying that “we had a really good conversation about what really matters today in the oil business and what is going to be the effect of shale in the future.”

Broadening efforts

The Secretary General participated in various high-level panels and press conferences at CERAWEEK 2018, including two other Minister-level private sessions; a Financial Roundtable with leading actors from the financial and investment community, and a Climate and Sustainability Roundtable.

The Financial Roundtable was in fact a follow up to one held at CERAWEEK 2017, and an opportunity to exchange viewpoints and further explore interactions between financial and physical markets with a broad range of global institutional investors active in the energy space.

In a media interview following the roundtable, Barkindo said: “There is no doubt that the financial markets are continuing to have



John Hess, Chief Executive Officer of Hess, who also attended the 7th OPEC International Seminar in Vienna, Austria, in June 2018.

an impact on oil, particularly on physical oil. This is one area where we have been battling to understand the dynamics and complexities of sophisticated markets.”

Positive outreach

It is evident that a key outcome of the OPEC Secretariat’s outreach in 2017 and 2018 has been the need to continually talk together as an industry. It is vital to build bridges, not walls.

In this regard, the value of dialogue and cooperation in the US to better understand all stakeholders has been a major positive as the Organization continues to open up new avenues for extending its multi-stakeholder outreach.

The OPEC Secretariat is focused on embracing the encouraging momentum of its dialogue with US independents and institutions in 2019.





IEA-IEF-OPEC Dialogues

Energy dialogues	Date established	Main activities until now	Upcoming activities
IEA-IEF-OPEC Outlooks symposium	2011	Eight symposia, the last one in Riyadh, February 2018	9 th Symposium
Gas and Coal Symposium	2012	Four symposia, the last one in Paris, November 6, 2018	5 th Symposium
Interactions between Physical and Financial Energy Markets	2011	Eight joint events, the last one in Vienna, March 2018	9 th Meeting
Historical Baseline Data	2015	Seven meetings, the last one in Vienna, on March 16, 2018 Bi-monthly conference calls with IEA & IEF	Bi-monthly conference calls with IEA & IEF

Officials in session at the seventh IEA-IEF-OPEC Symposium on Energy Outlooks.



IEA-IEF-OPEC Symposium on Energy Outlooks

The 8th IEA-IEF-OPEC Symposium on Energy Outlooks took place on February 14, 2018, at the IEF Secretariat in Riyadh, Saudi Arabia. This event is part of a wider work programme jointly agreed to by the IEA, the IEF and OPEC and endorsed by Energy Ministers at the 12th IEF Ministerial Energy Forum (Cancun, March 2010) as part of the Cancun Declaration. As in previous years, the symposium drew a large number of experts from a broad range of stakeholders and Member Countries.

As a regular feature of the symposium, energy ministers and international experts joined delegates from the IEA and OPEC to exchange energy outlooks, review historical baseline data and compare energy scenarios with the overarching goal of enhancing the producer-consumer dialogue on energy security and market transparency.

The symposium was officially opened by Dr Sun Xiansheng, Secretary General of the IEF, which hosts the event on an annual basis as part of a wider trilateral work programme undertaken by the IEA, IEF and OPEC in recognition of mandates from the Energy Minister of the IEF and G20 countries.

More than 150 senior government and industry

representatives from producing and consuming countries were in attendance. Saudi Arabia's Minister of Energy, Industry and Mineral Resources, Khalid A Al-Falih stated in his opening statement that: "Realism and resolve are the only ways to achieve an orderly transition to a more secure, more sustainable energy future.

"There is a tremendous opportunity here for the IEA, the IEF and OPEC to collaborate in promoting a rational view of future energy policy that will promote energy security, encourage environmental protection, meet and mitigate the challenges of climate change, and help to fuel economic prosperity not just in the developed world, but in the developing world as well."

Session I was dedicated to presentations by OPEC and the IEA on their most recent energy and oil projections and the key findings from the comparative analysis on energy outlooks. For the first time, the EIA, participating as a guest, also presented its long-term outlook. Session II covered industry views on short-, medium- and long-term energy outlooks, complementing Session I. Session III addressed the topic of 'Investment in unconventional and conventional oil and gas production'.

At the conclusion of the meeting, the joint press release stated that the comparing of outcomes has become easier over successive meetings of the

Delegates at the seventh International Energy Agency (IEA), International Energy Forum (IEF), OPEC Symposium (IEA-IEF-OPEC Symposium) on Energy Outlooks, which was held at the IEF's Headquarters in Riyadh, Saudi Arabia, on February 15, 2017.



2nd Joint IEA-IEF-OPEC Technical Meeting on the Interactions between Physical and Financial Energy Markets



Neil Atkinson, Head of the Oil Industry and Markets Division at the International Energy Agency.



Dr Sun Xiansheng, Secretary General of the International Energy Forum.



Mohammad Sanusi Barkindo, OPEC Secretary General.

Symposium and that dialogue on producer and consumer perspectives has become better informed and more collegial. It was noted that this year's comparative analysis of the IEA's and OPEC's short, medium and long-term projections has led to improved data outcomes and a sharper focus on differences related to shifts in global energy demand and supply patterns, the role and resilience of unconventional production in OECD countries and the extent to which compared energy matrices change over time.

There was unanimous agreement among the leaders of the IEA, IEF and OPEC that dialogue and cooperation efforts such as these must continue and could perhaps be enhanced.

Technical meetings in advance of the Symposium

A technical meeting is generally held the day before the Symposium, allowing deepening of the dialogue, bridging of gaps and

reconciling of differences, as well as more generally enhancing communication between the Agencies and their relevant analysts. These behind-the-scenes meetings are very important; participants strive to find a common understanding of issues and develop uniform definitions. The most recent technical meeting was held on February 13, 2018, and specific issues pertaining to data and projections were considered. It was acknowledged that significant progress has been made with regard to ironing out definitional and baseline differences, and that there is a renewed spirit of goodwill to continue and deepen the technical collaboration between these key agencies.

Specifically, a number of areas were identified where work will continue. A follow-up meeting was held at the OPEC Secretariat on March 16, 2018 (via telephone conference), on historical baseline data and the comparability of energy outlooks. Participants noted that market confidence is boosted when dialogue is conducted

on the basis of comparable data and transparent methodologies. Bimonthly conference calls took place thereafter to discuss different issues related to data and market developments.

IEA-IEF-OPEC Workshop on Interactions between Physical and Financial Energy Markets

The 6th Joint IEA-IEF-OPEC Workshop on Interactions between Physical and Financial Energy Markets was held in Vienna on March 15, 2018. The meeting was chaired by OPEC Secretary General, Mohammad Sanusi Barkindo, together with Dr Sun Xiansheng, Secretary General of the IEF, and Neil Atkinson, Head of the Oil Industry and Markets Division at the IEA.

Discussions were structured into five sessions focusing on the following key topics: recent oil market volatility; developments in oil market financing; emergence of blockchain technology; price formation and small crude streams; evolving crude trade flows.

The joint IEA-IEF-OPEC meetings covering the evolving inter-linkages between physical and financial energy markets have developed into a unique, high-level technical event, and bring together a diverse range of market participants to discuss issues that are not addressed in other high-level fora.

The Joint Workshop represents the 8th event in this particular ongoing dialogue of the trilateral work programme (two were technical meetings) that considers the evolving inter-linkages between physical and financial energy markets, and issues of common concern not typically addressed in other high-level fora.

The event is to be held every year, alternating annually between workshops and technical meetings.

IEA-IEF-OPEC Gas and Coal Market Outlook Symposium

The 4th IEA-IEF-OPEC Gas and Coal Market Outlook Symposium was held in Paris, France on November 6, 2018. The Symposium was attended by the Executive Director of IEA and the Secretary General of IEF, as well as the Head of the Energy Studies Department at OPEC. The fourth installment of the meeting brought together more than 100 participants, including experts, government officials, business leaders and representatives from the gas and coal industries.

Discussions centered on natural gas and coal market outlooks, as well as the competition between the two fuels in the power sector, where the landscape is changing rapidly due to the growth of renewables. Consensus among participants was that coal demand would stagnate over the medium- to long-term, whereas demand for natural gas would continue to grow at a rapid pace over the same period. Furthermore, LNG was highlighted for its potential to meet growing demand, particularly in Asia.

“In fact all energy markets are interrelated. In particular, the three main fossil fuels — coal, oil and gas — have a very dynamic and powerful impact on each other,” said the head of the OPEC Energy Studies Department.

Longer-term discussions focused on how the implementation of measures to meet the climate change mitigation targets under the Paris Agreement would affect demand for coal and natural gas. Decarbonization of energy systems was seen as a critical solution.

The Symposium is designed to provide a platform for an ongoing exchange of views and outlooks on the natural gas and coal markets in the short, medium and long term. The Symposium has been held biannually since 2012 in response to the G20 Cannes Summit Leaders Declaration (November 2011) that called for “continued dialogue annually between producers and consumers on short-, medium- and long-term outlook and forecasts for oil, gas and coal.”

The first Symposium offered a chance to discuss outlooks and uncertainties for the gas and coal markets, from both consumer and producer perspectives, as well as to examine competition between these two energy carriers in the European, North American and Asian power markets and the effects of economic, energy and environmental policies. Both markets have become more complex and regional supply and demand is rapidly shifting. The subsequent meetings have built on this base.

IEA Greenhouse Gas R&D Programme

OPEC is contributing to the IEA Greenhouse Gas R&D Programme (IEAGHG R&D Programme). The Programme is an R&D technology collaborative forum gathering experts and professionals, with 35 industry members, including two international bodies (the European Union and OPEC).

The IEA Greenhouse Gas R&D Programme’s (TCP) task is to assess the role that technology can play in reducing greenhouse gas emissions from both the power system and industrial processes. The aim of OPEC participation is to be active in promoting carbon capture, utilization and storage (CCUS) in the oil and gas industry and assist oil and gas businesses to become greener as well as for OPEC Member Countries to benefit from IEAGHG collaborative R&D publications.

The IEAGHG R&D Programme holds two-day executive meetings two times per year, in the spring and fall, for all members. Proposals are put forward on future studies, and studies in progress and completed are discussed. At every meeting proposals are requested for the next meeting.

The Greenhouse Gas Technology Meeting is held every two years.



Joint Organisations Data Initiative (JODI)

Date established:	2000
Main activities until now:	6 th meeting of partners; training workshops Information seminars
Upcoming activities:	Next meeting expected to take place in 2019 Next JODI Conference in the second half of 2019

JODI was started in the late 1990s when energy ministers identified a lack of transparent and reliable oil statistics as a key contributor to price volatility. The Joint Oil Data Exercise was officially launched in April 2001, to raise awareness among oil market players about the

need for increased transparency in oil market data, then to build a database.

Within a year there were over 70 participating countries representing 90 per cent of global oil supply and demand. The IEF Secretariat took over coordination of JODI in January 2005. In 2008, the JODI platform was extended to cover natural gas.

“OPEC is extremely proud to have played a role in the establishment of JODI and the Initiative continues to have our full support, ...” said the OPEC Secretary General, Mohammad Sanusi Barkindo, at a April 10, 2018, meeting of the Heads of JODI Partner Organizations in New Delhi.

He added that the JODI community continues to demonstrate that the global oil transparency challenge can be effectively surmounted step-by-step, and that he hopes that the oil and gas database will soon be enlarged to include other commodities such as coal and LNG.

IEF Secretary General Dr Sun Xiansheng stated at the same meeting that JODI is a concrete part of the consumer-producer dialogue and this dialogue is paramount to achieving a sustainable energy transition and the United Nations Sustainable Development Agenda 2030. “JODI is a unique source of national data ... It is a reference for market analysis,” he stated, quoting the JODI motto “Better data, better decisions.”

Dr Sun Xiansheng (l), IEF's Secretary General; and Mohammad Sanusi Barkindo, OPEC Secretary General.





The Joint Organisations Data Initiative (JODI) held its 6th Meeting of Heads of JODI Partner Organizations on April 10, 2018, in New Delhi; seen from l-r: Dr Sun Xiansheng, IEF's Secretary General; Mohammad Sanusi Barkindo, OPEC Secretary General; Yury Sentyurin, Secretary General of the GECF; and Erica Robin, IEA's Head of Section, Energy Data Centre.

OPEC Senior Research Analyst, Petroleum Studies Department, Dr Aziz Yahyai stated that OPEC needs the data for research and oil market analysis.

“JODI is the only official source of direct information with comprehensive metadata and country notes ... Its unique information that can't be found elsewhere.”

He added there is data for more than 110 countries with significant overall coverage, and said that global supply indicates the status of the market when compared with total world oil demand. “This supply versus demand figure is important.”

The next JODI meeting is expected to take place in 2019 and partners agreed to hold a JODI Conference in the second half of 2019.

The Secretariat attended the JODI Inter-Secretariat Meeting held in Luxembourg on July 2018.

The major activities of the Initiative in the near future will focus on promoting energy data

transparency during various international events. The most important of these include upcoming JODI Inter-Secretariat meetings, seminars, as well as training workshops, which may include participation from OPEC Member Countries.

Other matters relate to the further enhancement of data quality for oil and natural gas, with a particular focus on timeliness and coverage as well as expansion of the Initiative to include other energy flows, such as coal and LNG trade data by origin/destination.

Finally, JODI partner organizations agreed on extending cooperation with other energy agencies, currently the African Energy Commission (AFREC) and the Organization of Arab Petroleum Exporting Countries (OAPEC), within the newly defined concept of a ‘JODI Associate’. This new form of association with other energy relevant institutions aims at further enhancing global energy data transparency. ■■

OPEC and AFREC Collaboration Initiative

Date established:	2016
Main activities until now:	JODI Training Workshop (Tunisia, April 2017) Tunisia Oil & Gas Summit (October 2017)
Upcoming activities:	IEF-OFID Workshop on energy access in Africa

The main goal of this dialogue is to explore means of supporting African countries in the area of energy data transparency through the African Energy Commission (AFREC) of the African Union. Forthcoming activities involve the initiation of a platform of Energy Poverty Data Transparency, as well as a bespoke questionnaire for OFID’s and AFREC needs, for gathering energy poverty data in Africa by the Secretariat and in cooperation with OFID.

OPEC is supportive of efforts which seek to address the challenge of energy poverty. As the Secretary

General, Mohammad Sanusi Barkino, stated in his remarks at the UN Climate Change Conference (COP24/CMP14/CMA1.3), December 12, 2018, in Katowice, Poland, “Energy poverty remains a scourge of our time: today one billion people lack access to electricity and three billion lack clean fuels for cooking. An ever cleaner oil industry, driven by technological innovation, can improve the livelihoods of billions of people in a sustainable way. We urge Parties (governments) to promote all-inclusive policies that are not discriminatory in content and implementation.”



Mohammad Sanusi Barkino, OPEC Secretary General, at the UN Climate Change Conference (COP24/CMP14/CMA1.3), December 12, 2018, Katowice, Poland.



IMF/World Bank Meetings

Date established:	2000
Main activities until now:	International Monetary Financial Committee and G24 meetings; the last meeting was in Bali, October 2018; World Oil Outlook 2017 rollout
Upcoming activities:	Next meeting

In December 2017, a delegation from the Secretariat presented the 2017 *World Oil Outlook (WOO)* to IMF and World Bank employees at the IMF headquarters in Washington, DC. This followed a successful mission to the US in the previous year. In December 2016, an OPEC delegation visited the IMF headquarters in Washington DC, where it was received by Dr Maurice Obstfeld, the IMF’s Economic Counsellor and Director of Research. Dr Obstfeld introduced the Secretary General and his delegation to a large audience of IMF officials and staff in attendance.

The Secretary General then delivered remarks in which he underlined the importance of stability as a central tenet of both organizations.

“Our two organizations share something important: a preoccupation with stability,” he said. “The loans and technical assistance the IMF provides to developing countries — including OPEC Member Countries — are based on rigorous analytical work with the aim of fostering financial stability. At OPEC, our consensus-based decisions — which are informed by our own research and analytical work — are also designed to bring stability. And our actions — which result from negotiations among our Member Countries — are designed to foster discipline when global market conditions are often agitated or disordered.”

Following his remarks, the Energy Studies Department presented the key findings from OPEC’s WOO 2016, the tenth edition of the Organization’s flagship publication.

The OPEC delegation then met with analysts and staff from the IMF’s Middle East and North Africa (MENA) Department for technical discussions on the medium- to long-term outlook for oil production and demand in the MENA region.

The Secretariat contributed as an observer at the bi-annual International Monetary Fund (IMF)/World Bank Meetings in October 2018 in Bali, Indonesia, and in April 2018 in Washington, DC.

At the April Meeting in Washington, the Secretariat participated in the respective Meetings of the Group of 24 (G24) and relevant meetings of the International Monetary and Financial Committee



(IMFC). The IMF meetings provided an overview of the status and outlook of global economic developments. Following the annual meetings, the IMF conclusion noted that looking ahead, “policy uncertainty, historically high debt levels, rising financial vulnerabilities and limited policy could further undermine growth prospects.”

Hence, the IMF downgraded its 2018 estimate for global growth to 3.7 per cent, which although robust, is down from an earlier forecast of 3.9 per cent.

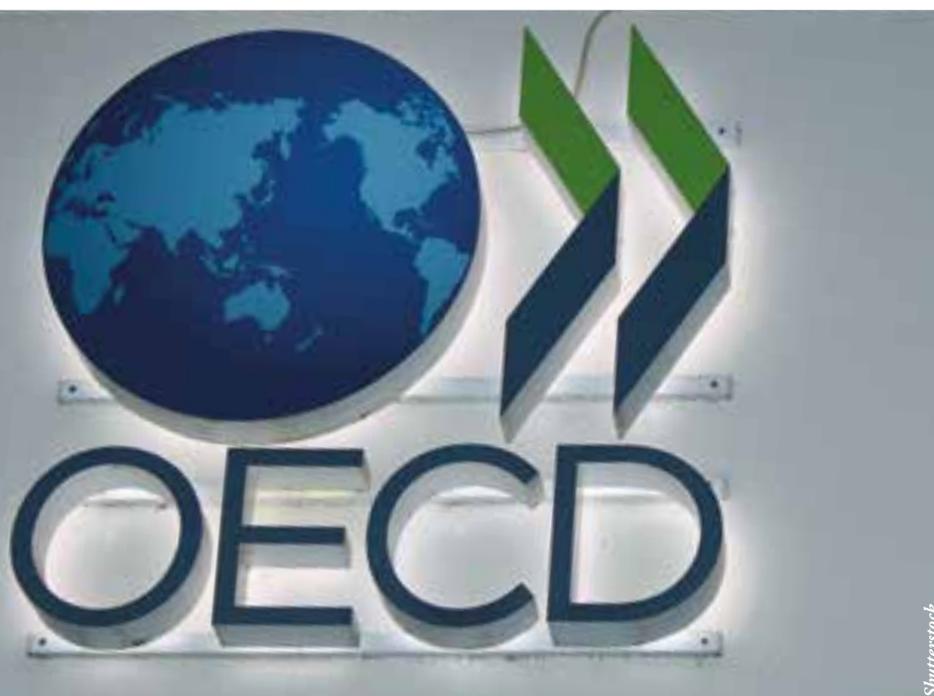
OPEC shares the sentiments expressed by former World Bank Group President Jim Young Kim when he recently said: “Challenges can turn into crisis if we don’t face them together. The strongest tool that we have to battle those challenges is the kind of solidarity that is embedded in multilateralism.”

International Monetary Fund (IMF) Managing Director, Christine Lagarde, at the World Economic Forum (WEF) in Davos, Switzerland.



OECD International Regulatory Cooperation

Date established:	2017
Main activities until now:	Annual OECD meetings, the last one in Geneva, on April 13, 2018
Upcoming activities:	6 th Annual OECD Meeting



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The OECD's *'Recommendation of the Council on Regulatory Policy and Governance'*, was adopted in 2012 by OECD countries, drawing the strong link between international regulatory co-operation (IRC) and regulatory quality. One of the work streams which the OECD identifies on its website is called, *'International organizations: their role in international regulatory co-operation.'*

Since 2014, the OECD has organized five meetings of international organizations to seek progress in this work stream. As a result of OPEC's establishment of engagement with the OECD in the field of regulatory cooperation in international organizations IOs in February 2017, the

Organization took part in the 4th annual OECD meeting in this field in April 2017.

According to the OECD's website, "Participants welcomed the opportunity provided by the partnership to collect evidence, exchange practices, and ensure greater consistency of approaches to improve the effectiveness of the rule-making of international organizations. Delegates of the OECD Regulatory Policy Committee confirmed their support to the work and encouraged IO efforts to build the evidence base on their normative activities and to adapt the lessons learnt at the domestic level on good regulatory practices, building on the experience of national regulators and the principles set out in the OECD Recommendation on Regulatory Policy and Governance."

The Fifth annual meeting of International Organizations, co-hosted by the OECD, the United Nations Economic Commission for Europe (UNECE), the International Organization for Standardization (ISO), and the International Electrotechnical Commission (IEC), gathered representatives from 32 IOs, including from OPEC, as well as country delegates from OECD and UNECE Members, academics from the "Academic friends of the IO partnership", and permanent missions to the United Nations.

The OECD described the meeting in the following way: "Participants took stock of progress made by the IO partnership in its substantive areas of work, notably in the development of the 2018 Survey on the rule-making practices of international organisations, to be launched in May 2018. They also confirmed the increasing usefulness and relevance of the initiative as a peer learning platform among international actors."



Vienna Energy Club

Date established:	2009
Main activities until now:	19 meetings, the last one in Vienna, on November 26, 2018
Upcoming activities:	20 th Meeting

The Vienna Energy Club is a means of bringing together the Vienna-based international organizations dealing with energy, providing an informal platform for discussions and an exchange of views. In addition to OPEC, the other members are the Energy Community (EnC); the International Atomic Energy Agency (IAEA); International Institute for Applied Systems Analysis (IIASA); the OPEC Fund for International Development (OFID); the Organization for Security and Co-operation in Europe (OSCE); the Renewable Energy and Energy Efficiency Partnership (REEEP); Sustainable Energy for All (SEforALL); the United Nations Industrial Development Organization (UNIDO) and World Energy Council Austria (WEC). The Club meets two times a year, based on a rotating host principle.

The 18th meeting of the Vienna Energy Club convened on June 18, 2018, and was organized by Sustainable Energy for All (SEforALL) and hosted by Ms Rachel Kyte, CEO and Special Representative of the Secretary General of the UN on Sustainable Energy for All. The 19th meeting of the Vienna Energy club took place on November 26, 2018, at the UNIDO building in Vienna, Austria. 

Vienna
Energy
Club



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OPEC bulletin 2/19

G20 Energy Initiative

Date established:	2009
Main activities until now:	Regular attendance in related events since 2009
Upcoming activities:	Energy Ministerial Meeting

OPEC's engagement with the G20 dates back to 2009, when the G20 Pittsburgh Summit Leader's Statement designated it "the premier forum" for international economic cooperation. Energy has been an important focus of G20 deliberations since 2009, where G20 leaders agreed to promote energy market transparency and market stability as part of its broader effort to avoid excessive volatility.

Over the subsequent years, the OPEC Secretariat has proactively engaged in the G20 Energy Initiatives to help arrive at broader and more inclusive outcomes. OPEC Ministers at their 163rd Meeting of the OPEC Conference on May 31, 2013, "acknowledged the importance of the Secretariat remaining closely involved with the G20 in order to ensure that Member Countries were kept fully abreast of developments."

Participants

The G20 member states are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, the Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the UK, and the US. These countries are represented by their Heads of State, as well as Finance and Energy Ministers, or their designated representatives. The EU is represented by the President of European Council and the Head of the European Central Bank.

Other international organizations involved in G20 Energy Issues include the International Energy Agency (IEA); the International Energy Forum (IEF); the International Monetary Fund (IMF); the Organization for





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Economic Co-operation and Development (OECD); the World Bank; the African Development Bank (AfDB); the Asia-Pacific Economic Cooperation (APEC); The Energy Charter, International Gas Union (IGU); International Partnership for Energy Efficiency Cooperation (IPEEC); the International Renewable Energy Agency (IRENA); Sustainable Energy For All (SE4ALL); and the United Nations Environment Programme (UNEP).

Proactive engagement

The OPEC Secretariat has been active on a broad range of initiatives including commodity market transparency; oil price reporting agencies; global energy architecture; inefficient fossil fuel subsidies that encourage wasteful consumption; clean energy technologies; energy efficiency; action plans on enhancing energy access in Asia-Pacific and Sub-Sahara Africa; among others.

In terms of energy, the 2018 G20 Presidency of Argentina represented a return to more long standing energy issues, such as energy access, energy data transparency.

The Argentine Presidency has also taken a more balanced approach to energy, as noted in the name of the working group that recognizes a number of potential energy transitions based on a country's national circumstances, priorities and needs. More broadly, the

Argentine Presidency placed fairness and human development as overarching themes.

OPEC provided a number of interventions on the work streams being carried out under the 2018 Presidency. On energy transitions, OPEC highlighted that the need for a broad approach that encompassed all energy sources and utilized all energy technologies.

On energy access, OPEC welcomed the Argentine Presidency's approach of emphasizing the productive use of energy to promote economic and social development, and noted the work being done on this area by the OPEC Fund for International Development (OFID), and by extension, OPEC Member Countries.

On energy data transparency, OPEC noted its long-standing commitment to this important initiative and its role as a founding member of JODI. The intervention also stressed the importance of JODI as a freely available, open source of data. The need to further support and expand JODI was also highlighted.

Continuing dialogue

The G20 activities and discussions provide the OPEC Secretariat access to an exclusive platform of engagement with high-level policymakers and experts. Going forward, the experience gained over the years and the record of effective engagement provides a strong foundation to build upon. 

Dialogues with energy and technology companies

Energy dialogues	Date established	Main activities until now	Upcoming activities
OPEC-Equinor (Statoil) Technical Dialogue	2012	Two technical meetings in 2018 (June and September) Annual sharing of market perspectives	
OPEC-Siemens	2015	Two executive meetings, last one in Munich, in March 2016	Technology workshop
OPEC-Dietsmann	2017	One visit to the Secretariat in October 2017	Technology workshop

Peter Kutemann (l), President & CEO of Dietsmann, visited Mohammad Sanusi Barkindo, OPEC Secretary General. In October 2017 a high-level meeting took place at the OPEC Secretariat in Vienna.

Equinor

From 2012 onwards, OPEC has held an annual dialogue with technical experts at Statoil, which now has the name Equinor, to discuss short- to medium-term oil market

developments as well as industry trends. Two technical-level meetings were held this year, one in July, and one in September.

OPEC-Siemens

The 1st Executive Meeting between OPEC and Siemens was organized in February 2015 in Vienna to exchange views on the latest technological advancements and discuss challenges to the energy industry and their impacts on future supply and demand. This was followed by the 2nd Executive Meeting in March 2016 in Munich, Germany. Siemens will be invited to attend a technology workshop in 2019.

Dietsmann

The Dietsmann Group approached OPEC to emphasize that they would be very interested in presenting their company activities, as well as strengthening engagement with Member Countries through various technology and operational projects. Dietsmann made a first visit to the Secretariat on October 6, 2017. In a technical exchange with the Research Division of the Secretariat on the collaboration potential on so-called ‘NewTech’ working group, it was agreed to look into efficiency improvements and cost reduction in the upstream sector.



OPEC-KAPSARC

Date established:	2017
Main activities until now:	Four IEF-KAPSARC Thought Leaders' Roundtables Two bilateral technical meetings
Upcoming activities:	5 th IEF-KAPSARC Thought Leaders' Roundtables

Cooperation with KAPSARC

The 4th IEF-KAPSARC Thought Leaders' Roundtable convened at the IEF Headquarters in Riyadh, Saudi Arabia on February 15, 2018. This gathering featured a thought-provoking discussion and exchange of ideas on the issue of 'Energy Security in Transition; Impacts on Oil & Gas Investment'.

Two technical meetings have been held at the OPEC Secretariat, and OPEC has attended several KAPSARC (King Abdullah Petroleum Studies and Research Centre) workshops.

Discussions about cooperation started when OPEC visited KAPSARC in March 2017. The Secretary General, along with a delegation from OPEC, worked together to develop further cooperation between the institutions. 





Davos, World Economic Forum 2019

Davos 2019

Mohammad Sanusi Barkindo (second l), OPEC Secretary General, participated in the panel session titled: 'The new energy equation', which was chaired by John Deferios (l) of CNN. He was sharing the platform with (l-r): John Hess, CEO of Hess Corp; Vicki Hollub, CEO of Occidental Petroleum; and Dan Yergin, Vice Chairman of IHS Markit.

*Discussions regarding oil, and energy in general, were high on the agenda at the World Economic Forum's (WEF) Davos meeting in January 2019. With OPEC Secretary General, **Mohammad Sanusi Barkindo**, participating in a number of public and closed sessions, the OPEC Bulletin reports on the four-day meeting.*





Kristalina Georgieva (r), World Bank CEO; and Christine Lagarde, International Monetary Fund (IMF) Managing Director, take part in a panel discussion during the World Economic Forum (WEF) annual meeting in Davos, Switzerland.

If you are looking for empty ski slopes, come to Davos during the annual World Economic Forum meeting. For most visitors during this week the focus is not on the piste, despite its attractiveness, but on the thoughts and discussions of global leaders from across business, government and international organizations.

The four-day event, attended by a who's who of global political and business leaders, seems to take in the whole of Davos, as well as neighbouring Klosters too. You cannot drive, or walk if that's your preference, without seeing some event related to the WEF experience.

Besides the main conference centre, there are many hotels and restaurants playing host to gatherings and themed day and evening events; there are an array of pavilions dotted throughout the town to promote various countries and companies; and of course, there is a huge media presence.

This year's event took place from January 22–25, under the theme 'Globalization 4.0'.

The new energy equation

The unique WEF programme provides a platform for OPEC to proactively engage at a global level, specifically regarding the world energy scene. The OPEC Secretary General, Mohammad Sanusi Barkindo, has attended the annual Davos meeting since 2017, with active participation on various panel sessions and community programmes as a means to extend the Organization's outreach and discuss both challenges and opportunities with prominent leaders and stakeholders.

The importance of oil and energy issues was

highlighted in a panel session titled: '*The new energy equation*', with the OPEC Secretary General sharing a platform with John Hess, CEO of Hess Corp, Vicki Hollub, CEO of Occidental Petroleum and Dan Yergin, Vice Chairman of IHS Markit. The panel was chaired by John Deferios of CNN.

The Secretary General addressed the current oil market dynamics, highlighting the importance of the 'Declaration of Cooperation' in helping stabilize the oil market over the past two years, which has benefitted both producers and consumers.

The Secretary General also underscored that market uncertainties and volatility are detrimental to industry investments. In this regard, he underscored the importance of the continuing joint collaborative efforts among producers to ensure timely investments.

This was recognized by Hess, who said that "the Secretary General of OPEC, as well as OPEC Members, play a very important role in stabilizing markets for oil, so those efforts are to be recognized."

In referencing the US, Barkindo also noted that "we have to continue to collaborate. It is one industry. It is a global industry, and I think our colleagues in the US are on the same page with us and we will work together to exchange views."

The Secretary General stated that peak oil demand is not on the horizon, with steady growth prospects in the developing world, as well as in the key transportation and petrochemical sectors.

He also raised his concerns about the climate disclosure drive from the financial community, and drew attention to the disconnect between these developments

and the continued importance of the oil industry to the global economy.

The issue of climate change was also underscored by Hollub, who said that “industries like ours can do one of two things: dig in their heels, or tap innovation.” She highlighted a number of initiatives being undertaken by Occidental to reduce emissions and stated that “I want to see the end of emissions from fossil fuels.”

Barkindo also took part in a number of closed-door meetings with senior oil and gas industry policymakers to discuss key issues facing the industry.

Focus for the coming months

In an interview with *Reuters TV* in Davos, Barkindo stressed that “we remain focused on the supply-demand balance. Our challenge is to maintain supply-demand balance.

“We have seen inventories rising beyond the five-year average. A couple of months ago we have seen a deficit. We intend to ensure stocks remain within the five-year average.”

In this regard, the Secretary General also noted in an interview with *Bloomberg* that “we are beginning to see very sharp reductions in supply, in conformity to the reductions that we agreed upon on December 6 and 7.”

He added that the market has started to respond positively and noted that the Brent market structure, for example, had just flipped into backwardation.

Bilaterals

The Secretary General also met with a number of Heads of State in Davos, including Ilham Aliyev, President of Azerbaijan, Sebastian Kurz, the Chancellor of Austria, and Jacinda Ardern, Prime Minister of New Zealand. Barkindo also met with Karin Kneissl, the Foreign Minister of Austria.

In his talks with President Aliyev, the President thanked OPEC and non-OPEC countries participating in the ‘Declaration of Cooperation’ for accepting his invitation to host the JTC and JMMC meetings in Baku on March 17–18.

The Secretary General reiterated the importance of Baku as the cradle of the modern oil industry and assured President Aliyev that all delegations look forward to making the pilgrimage to the historic city.

Barkindo also reinforced the Organization’s strong and positive relations with the Russian Federation, meeting with Maxim Oreshkin, Minister of Economic Development of the Russian Federation, as well as Vagit Alekperov, CEO of Lukoil.

In his meeting with Oreshkin, the two underlined the importance of the two-track cooperation, both at the level of the OPEC-Russia Energy Dialogue, and the well-established ‘Declaration of Cooperation’.

The Secretary General also stated that the role and support of the Russian Federation has been instrumental in the success of the ‘Declaration’ and the further strengthening of joint efforts toward oil market stability. ❁

Mohammad Sanusi Barkindo, OPEC Secretary General, during the interview with *Bloomberg* (l) and *Reuters TV* (r).



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He also met with Maxim Oreshkin, Minister of Economic Development of the Russian Federation, as well as Vagit Alekperov, CEO of Lukoil.



Ilham Aliyev (l), President of Azerbaijan; with Mohammad Sanusi Barkindo.



Jacinda Ardern (l), Prime Minister of New Zealand, with Mohammad Sanusi Barkindo, OPEC Secretary General.



Maxim Oreshkin (r), Minister of Economic Development, The Russian Federation; with Mohammad Sanusi Barkindo (l).



Vagit Alekperov (l), Lukoil President and CEO; with Mohammad Sanusi Barkindo.



Mohammad Sanusi Barkindo (l); also met with Zhang Jianhua (r), Minister of Energy, National Energy Administration, China; and Meghan O'Sullivan (second l), from Harvard University.



Atlantic Council Global Energy Forum 2019

*The Atlantic Council Global Energy Forum in Abu Dhabi, United Arab Emirates, held January 11–13, is a leading gathering of government, industry, and thought leaders to set the global energy agenda for the year and anticipate and respond to the dramatic changes in the world of energy. Convened in partnership with the Ministry of Energy of the UAE, ADNOC, and Mubadala, the forum is part of Abu Dhabi Sustainability Week. OPEC Secretary General, **Mohammad Sanusi Barkindo**, was an active participant in various sessions and held several bilateral meetings at the Forum. The OPEC Bulletin reports.*

The Forum, under the title of *'The geopolitics of the energy transformation'*, focused on the technology and digital transformation of the oil sector; Asian energy demand with a particular focus on China; the energy transition and corporate adaptation strategies; power sector fuels of the future; and energy and geopolitical modeling.

Barkindo participated in a session entitled *'Looking ahead: the future of the Vienna alliance'*, together with the Minister of Energy and Industry of the UAE, Suhail Mohamed Al Mazrouei. The session consisted of questions and discussions presented by moderator Helima Croft, Managing Director and Global Head of Commodity Strategy, Global Research, RBC Capital Markets. One of the main questions addressed the formalization of the cooperation between OPEC and non-OPEC countries in April.

Market stability

The Secretary General underscored the significant achievements and contribution of the 'Declaration of Cooperation' to overall market stability. The recent Ministerial decisions regarding production adjustments on December 7, 2018, constitute part of this ongoing

commitment to ensure a balanced market throughout 2019. He stated: "The decision, as complex as it was, was data-driven," based on market fundamentals and inventory metrics.

The OPEC Secretary General met with Khalid A Al-Falih, Saudi Arabia's Minister of Energy, Industry and Mineral Resources; Minister Al Mazrouei; and Mohammed bin Hamad Al Rumhy, Minister of Oil and Gas of the Sultanate of Oman; on January 13, 2019.

Cooperation

Barkindo met informally with select members of the financial community at a luncheon, where they discussed ongoing market volatility, with 2019 prospects based on the stocktaking of 2018 accomplishments and developments.

In an exclusive interview with the CNBC, the Secretary General made reference to the restoration of market stability achieved by the 'Declaration of Cooperation', which has benefited all producers and the industry. He emphasized that, in going forward, broader cooperation is the key to avoid market downturns such as that of 2015–16, in the future. 

Mohammad Sanusi Barkindo (r), OPEC Secretary General; with Suhail Mohamed Al Mazrouei, Minister of Energy & Industry, United Arab Emirates.





Saudi Arabia’s oil and gas larger than previously announced

Khalid A Al-Falih, Minister of Energy, Industry and Mineral Resources of Saudi Arabia, speaks during a news conference in Riyadh, Saudi Arabia.

The Kingdom of Saudi Arabia announced an increase in its reserves of easily-recoverable crude oil, following the completion of an independent audit.

In a press statement, Khalid A Al-Falih, Minister of Energy, Industry and Mineral Resources of Saudi Arabia, said, “the results point out that the Kingdom’s reserves of oil and gas are bigger than what we have been announcing.”

Arabia’s national oil company — Saudi Aramco. The Minister also lauded the economic significance and value of the Kingdom’s oil sector and its energy giant. He added: “This certification underscores why every barrel we produce is the most profitable in the world and why we believe Saudi Aramco is the world’s most valuable company.”

A number of news agencies reported that the



Reuters

According to *Reuters*, Saudi Arabia’s proven oil reserves stood at an impressive 268.5 billion barrel of oil, while its reserves of natural gas totalled 325.1 trillion standard cubic feet, which is higher than the figures published in the *Annual Review* of Saudi

independent audit of the Kingdom’s proven reserves of hydrocarbons was carried out as part of its concrete preparations for the highly-anticipated IPO of Saudi Aramco. It was also reported that the Kingdom intends to list the company in stock markets in 2021. 

UAE expands its massive wind energy portfolio

With a vision for a brighter and stronger national energy industry, the United Arab Emirates (UAE) has continued with its solid efforts to advance and diversify its renewable energy sector through acquiring its first renewable investment in North America.

Abu Dhabi Future Energy Company, widely known as Masdar, announced its intention to acquire shares of the British company John Laing Group in wind farms in Texas and New Mexico in the United States.

Mohamed Jameel Al Ramahi, CEO of Masdar, commended the planned acquisition and its importance to the firm's ever-growing business portfolio. He said: "Extending our reach into the United States is a defining moment for Masdar's clean energy operations and a further step forward in our efforts to expand the company's global renewable energy portfolio, which now encompasses more than 25 countries."

Al Ramahi added: "The US provides excellent

commercial potential in the long-term, with a record 6.3 per cent of the country's electricity generated from wind in 2017. We aim to increase our investments in the US in the next few years, as we continue to strengthen our current partnerships and explore new business opportunities."

Abu Dhabi Future Energy Company and France's EDF Energies Nouvelles were recently also awarded a \$500-million mega wind energy project in the Kingdom of Saudi Arabia.

According to *The National*, a leading Emirati newspaper, the wind farm is projected to generate 400 megawatts of energy.

At the bidding ceremony, Saudi Arabia's Renewable Energy Project Development Office (Repdo) said that Acwa Power of Saudi Arabia and Italy's Enel Green were among the competitors for the project.

The project is located in Dumat Al Jandal in the Kingdom's northern region, Al-Jawf Province. 



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Oman signs new agreements with Eni and BP

Oman has finalized new agreements with BP and Italy's Eni SpA to enhance its natural gas and LNG sectors.

In a statement, Eni announced that it concluded an upstream contract, focusing on the exploration and production of onshore gas in Block 47 in Ad Dakhiliyah governorate in the centre of Oman, increasing its stake in the project to 90 per cent.

BP also finalized an exploration and production rights agreement, in cooperation with Eni, for another block, through which each company will attain a 50 per cent stake in the project. Block 77 is also located in central Oman.

Bernard Looney, Chief Executive of BP's Upstream, commended the new project and its economic importance. He said: "We look forward to continuing to explore and efficiently develop the country's resources, working in close partnership with Eni and Oman to underpin our commitment to delivering long-term gas production for the Sultanate of Oman."

BP currently operates the Khazzan field, which is located to the west of Block 77 and produces an impressive one billion cubic feet/day of natural gas, according to *Platts*. 



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OPEC bulletin 2/19



Art and expression in Libya



WaraQ Art Foundation showcases the work of young contemporary Libyan artists at home and abroad.

By Fatma Elzahra Elshhati

OFID

Takwa Barnosa writing 'art' in Arabic and her native language Amazighe.



OPEC bulletin 2 / 19

OFID

Up and coming artist Takwa Barnosa has an ambitious goal: to revive the art scene in Libya. In 2015, then 17 years-old, Barnosa founded the WaraQ Art Foundation with the aim of promoting free expression among young people in Libya. Since then, she

has been the organizer and curator for exhibitions held both at home in Libya and abroad.

The Foundation's latest international exhibition entitled 'Across Borders' was held in Vienna and showcased the work of 11 young contemporary Libyan artists.

"The exhibition encouraged artists to

challenge their own boundaries and the borders that surround them – personal, social, political and geographical borders," Barnosa explains to the *OFID Quarterly*.

In her own work, Barnosa offers commentary on current social issues through calligraphy and photography. In the Vienna exhibition Barnosa's Arabic calligraphy spells out the words 'commodity', 'fear' and 'failure'. The words are superimposed onto photographs of refugees crossing the Mediterranean on dinghies.

"I realized that the best way to start a career as a curator and cultural manager was to learn by doing," Barnosa says. "So I invested all my education savings on the Foundation's start-up. The opening of our 'work space' was in 2016 – it was the first independent work space and gallery since the revolution."

It's been a tough task to highlight contemporary issues in a country still healing from conflict. "We faced different challenges when it came to acceptance, security and funding," she continues. Following the Foundation's

OPEC Fund for International Development (OFID)

exhibition focusing on human rights, WaraQ's space was shut down in 2017. However, Barnosa explains that she – and fellow artists – were inspired to continue work, expanding to a wider audience and promoting Libyan artists locally and internationally.

“What we need urgently at the moment is to raise awareness

invited members of the public to engage in interactive sessions.

“We prepared the lake area to look like a studio and provided all the equipment,” explains Barnosa. “People could create artworks (in groups) with supervision and guidance from professional artists from WaraQ community.



about the importance of art in our daily life, specifically in a post-conflict society like the one we live in,” Barnosa says. “This can be achieved by focusing on audience development and targeting the public with all its differences.”

With this in mind, the WaraQ Art Foundation is bringing art into public spaces to promote the values of openness and inclusivity. Using the city as their canvas, young artists are showcasing their work. “We see the public space as an alternative for the absence of art galleries and cultural institutions,” Barnosa says.

“If we can't have our freedom of expression in our own space, we go to the public, present what we do, integrate with them, and bring people together through art.”

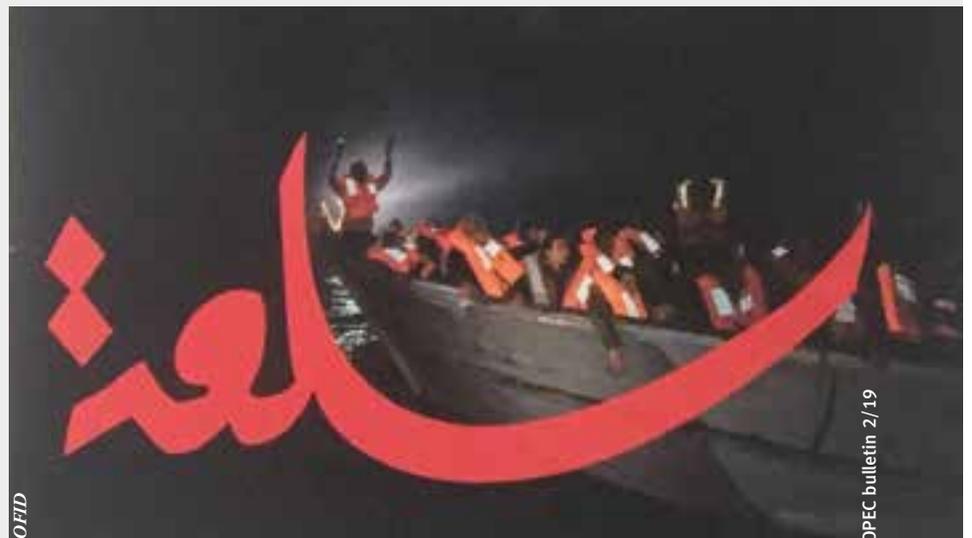
Another recent exhibition, held in August, marked International Youth Day. It was supported by the United Nations Population Fund (UNFPA) and held near the Red Castle Lake in the heart of Tripoli. The ‘Improvised’ exhibition was characterized by its experimental and inclusive approach to art and

“I can't tell exactly how many people attended because it was a very open event in an open area,” she says.

“But the crowd was craving more paint and brushes, and we ran out of canvas eventually.”



Failure, *Takwa Barnosa*.



Students and professional groups wanting to know more about OPEC visit the Secretariat regularly in order to receive briefings from the Public Relations and Information Department (PRID). PRID also visits schools under the Secretariat's outreach programme to give them presentations on the Organization and the oil industry. Here we feature some snapshots of such visits.

Visits to the Secretariat



January 15

Students from AAEC/Long Island University, US.



January 16

Students from Vienna University of Economics and Business (WU) Executive Academy, Vienna, Austria.



January 21

Delegates from Eurasian Research Institute for Peace Development, Russia.



January 23

Students from the Colgate University, Hamilton, US.



January 24

Students from Johns Hopkins University, Bologna, Italy.



January 28

Students from the University of St Andrews, Scotland; and from the Oklahoma Christian University, US.

Forthcoming events

International petroleum week, February 26–28, 2019, London, UK. Details: Energy Institute, 61 New Cavendish Street, London W1G 7AR, UK. Tel: +44 207 467 7116; fax: +44 207 580 2230; e-mail: jwarner@energyinst.org.uk; website: www.ipweek.co.uk.

International petroleum technology conference, February 26–28, 2019, Beijing, China. Details: IPTC Asia-Pacific Office, Asi-Pacific Office, Suite 12.01, Level 12, Menara IGB, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia. Tel: +60 32 18 23 000; e-mail: ptc@iptcnet.org; website: www.iptcnet.org/19iptc/home.

Middle East technology forum for refining and petrochemicals, February 26–28, 2019, Abu Dhabi, UAE. Details: Euro Petroleum Consultants Ltd, 44 Oxford Drive, Bermondsey Street, London SE1 2FB, UK. Tel: +44 207 357 8394; fax: +44 207 357 8395; e-mail: enquiries@europetro.com; website: www.europetro.com/week/metech2019.

Offshore pipeline technology conference, February 26–28, 2019, Amsterdam, The Netherlands. Details: Informa Group PLC, 5 Howick Place, London SW1P 1WG, UK. +44 207 01 75 000; e-mail: headoffice@informa.com; website: https://energy.knect365.com/offshore-pipeline-technology.

Ukrainian energy forum, February 26–28, 2019, Kyiv, Ukraine. Details: Adam Smith Conferences, 6th Floor, 29 Bressenden Place, London SW1E 5DR, UK. Tel: +44 207 017 7444; fax: +44 207 017 7447; e-mail: info@adamsmithconferences.com; website: www.ukrainianenergy.com.

12th carbon dioxide utilization summit, February 27–28, 2019, Houston, TX, USA. Details: Active Communications International, 5–13 Great Suffolk Street, 4th Floor, London SE1 ONS, UK. Tel: +44 207 981 98 00; fax: +44 207 593 00 71; e-mail: claire@acieu.net; website: www.wplgroup.com/aci/event/co2-us.

5th world congress and expo on gas and petroleum engineering, February 28–29, 2019, Milan, Italy. Details: Scifed Ltd, 27 Old Gloucester Street, London WC1N 3AX, UK. Tel: +44 20 34 77 80 09; e-mail: contact@scifed.com; website: https://scientificfederation.com/wceogpe-2019/index.php#contact.

LNGc Asia, February 27–28, 2019, Singapore. Details: Informa Group PLC, 5 Howick Place, London SW1P 1WG, UK. Tel: +44 207 01 75 000; e-mail: headoffice@informa.com; website: https://energy.knect365.com/lngc-asia.

Saudi downstream, March 5–6, 2019, Yanbu Industrial City, Saudi Arabia. Details: 8 Tyers Gate, London SE1 3HX, UK. Tel: +44 44 20 33 28 95 81; e-mail: james@bme-global.com; website: www.saudidownstream.com.

LNG supplies for asian markets, March 5–8, 2019, Singapore. Details: Conference Connection Administrators Pte Ltd, 105 Cecil Street #07-02, The Octagon, 069534 Singapore. Tel: +65 6222 0230; fax: +65 6222 0121; e-mail: info@cconnection.org; website: www.cconnection.org/events/lnga-2019.

Central Eastern European gas conference, March 12–13, 2019, Zagreb, Croatia. Details: dmg :: events, 6th floor, Northcliffe House, 2 Derry Street, London W8 5TT, UK. Tel: +44 20 3615 2873; fax: +44 20

3615 0679; e-mail: conferencemarketing@dmgevents.com; website: www.theceegas.com.

14th Arctic shipping summit, March 13–14, 2019, Montreal, Canada. Details: Active Communications International, 5–13 Great Suffolk Street, 4th Floor, London SE1 ONS, UK. Tel: +44 207 981 98 00; fax: +44 207 593 00 71; e-mail: claire@acieu.net; website: www.wplgroup.com/aci/event/arctic-shipping-summit.

19th annual Arctic oil and gas symposium, March 13–14, 2019, Calgary, AB, Canada. Details: The Canadian Institute, 1329 Bay Street, Toronto, ON M5R 2C4, Canada. Tel: +1 877 927 7936; fax: +1 877 927 1563; e-mail: CustomerService@CanadianInstitute.com; website: www.canadianinstitute.com/19th-annual-arctic-oil-gas-symposium.

Energy transitions, March 18, 2019, London, UK. Details: Chatham House, 10 St James's Square, London SW1Y 4LE, UK. Tel: +44 207 957 5700; fax: +44 207 957 5710; e-mail: contact@chathamhouse.org; website: www.chathamhouse.org/conferences/energy-transitions-2019.

3rd Papua New Guinea petroleum and energy summit, March 19–21, 2019, Port Moresby, Papua New Guinea. Details: CWC Associates Ltd, Regent House, Oyster Wharf, 16–18 Lombard Road, London SW11 3RF, UK. Tel: +44 207 978 000; fax: +44 207 978 0099; e-mail: sshelton@thecwcgroup.com; website: www.pngsummit.com.

Gasoline and diesel blending, March 19–21, 2019, Dubai, UAE. Details: Conference Connection Administrators Pte Ltd, 105 Cecil Street #07-02, The Octagon, 069534 Singapore. Tel: +65 6222 0230; fax: +65 6222 0121; e-mail: info@cconnection.org; website: www.cconnection.org/events/gdb_dubai.

Argus China crude and products markets, March 20–21, 2019, Beijing, China. Details: Argus Media, Argus House, 175 St John Street, London EC1V 4LW, UK. Tel: +971 44 34 51 16; email: me.events@argusmedia.com; website: www.argusmedia.com/en/conferences-events-listing/china-and-global-oil.

Oman's oil and gas exhibition and conference, March 22–25, 2019, Muscat, Oman. Details: Omanexpo LLC, 1st Floor, SABCO Building, Wattayah Muscat, Sultanate of Oman. Tel: +968 24 66 01 24; fax: +968 24 66 01 25/126; e-mail: info@omanexpo.com; website: www.ogwaexpo.com.

Gulf safety forum 2019, March 25–26, 2019, Manama, Bahrain. Details: Euro Petroleum Consultants Ltd, 44 Oxford Drive, Bermondsey Street, London SE1 2FB, UK. Tel: +44 207 357 8394; fax: +44 207 357 8395; e-mail: enquiries@europetro.com; website: www.europetro.com/week/gsfopexmena2019.

11th international Fujairah bunkering and fuel oil forum, March 25–27, 2019, Fujairah, UAE. Details: Conference Connection Administrators Pte Ltd, 105 Cecil Street #07-02, The Octagon, 069534 Singapore. Tel: +65 6222 0230; fax: +65 6222 0121; e-mail: info@cconnection.org; website: www.cconnection.org/events/fujcon2019.

Argus bunker fuels, March 26–28, 2019, Algeciras, Spain. Details: Argus Media, Argus House, 175 St John Street, London EC1V 4LW, UK. Tel: +971 44 34 51 16; email: me.events@argusmedia.com; website: www.argusmedia.com/en/conferences-events-listing/bunker-fuels. ☒

Monetary policies and their impact on the oil market

January 2019

The monetary policy decisions of major central banks have continued to be a focus of economic analysis in recent months. In particular, the US Fed increased its target rate by 100 basis points (bps) in 2018, 25 bps more than expectations earlier in the year, mainly as a result of the additional impulse to economic activity provided by the government's fiscal stimulus. However, concerns have emerged that the pace of monetary tightening could result in a faster-than-anticipated slowdown in the US economy in 2019. Indeed, the spread between the yield of short- (two years) and longterm (ten years) treasuries has declined considerably, signalling some economic deceleration going forward.

Furthermore, no major acceleration in US inflation has been observed, despite persistent and robust labour market improvements in recent years. Inflation stands around the Fed's two per cent target, with readings likely to remain restrained in the coming months. Fed policy makers, recognizing the downside risk for the economic outlook, decreased their median expectation of interest rate increases for 2019 to 50 bps at their last meeting, from their previous estimation of 75 bps.

The central banks of the other major developed economies began monetary tightening last year, although the path forward remains uncertain. In the Euro-zone, the ECB stopped asset purchases in December, but with inflation readings still subdued, and given a significant deceleration in core Euro-zone economies in 2H18, market participants have cast doubt on a potential 2019 rate hike. Uncertainties related to Brexit and budget disputes would also likely result in additional ECB caution. The Bank of England (BoE) increased interest rates by 25 bps last year, and the possibility of further tightening is contingent on the Brexit outcome. Meanwhile, the Bank of Japan (BoJ) signalled during 2018 that it expects to keep its monetary stimulus programme in place, with inflation rates much below the target and an ongoing subdued economic outlook.

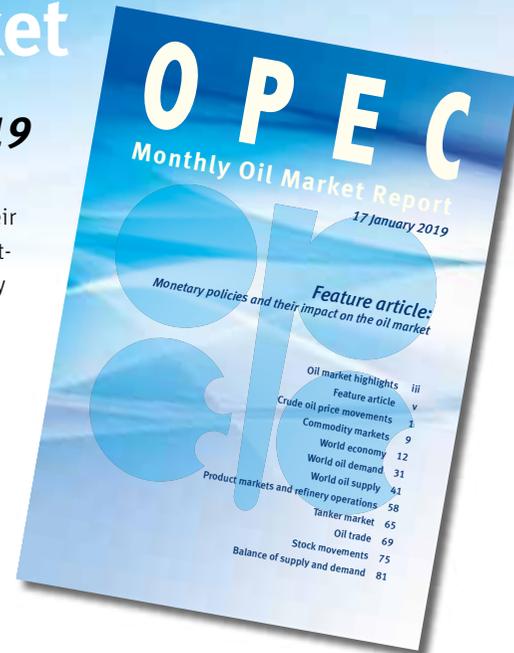
In 2018, the increasingly divergent central bank monetary policies resulted in a strengthening US dollar, particularly against currencies of emerging economies that face large current account deficits. This has

forced some of their central banks to tighten monetary policy in order to stem capital outflows. For example, Argentina and Turkey, were forced to sharply increase interest rates and, in the case of Argentina, seek the support of the

International Monetary Fund. The Reserve Bank of India (RBI) increased its main policy rate twice last year on surging inflation and a weakness in the Indian rupee. However, pressure on the currency moderated in 4Q18, providing more room for the RBI to remain accommodative. In the case of China, the People's Bank of China (PBoC) reduced the ratio of required reserves three times in 2018, in an effort to support the economy. In early January 2019, the bank announced an additional cut, with further cuts to bank reserve requirements likely to be implemented during the year to spur bank lending.

While the economic risk remains skewed to the downside, the likelihood of a moderation in monetary tightening is expected to slow the decelerating economic growth trend in 2019. This has recently been reflected in global financial markets with asset prices recovering somewhat from the low levels seen at the end of 2018. The positive effect on market sentiment was also witnessed in the oil market.

If the anticipated moderation in monetary policies coupled with an improvement in financial markets materializes, this could provide further support to ongoing increases in non-OPEC supply. Therefore, the ongoing collaboration between OPEC and non-OPEC producing countries participating in the 'Declaration of Cooperation' remains essential in helping to maintain balance in the oil market.



MOMR ... oil market highlights

January 2019

Crude oil price movements — The OPEC Reference Basket (ORB) fell in December 2018 for the second consecutive month, dropping \$8.39, or 12.8 per cent, month-on-month (m-o-m) to average \$56.94/b. This is the lowest level since October 2017. Oil prices were pressured by concerns surrounding global oversupply and softening oil demand, amid high uncertainty about global economic growth. Nonetheless, the average ORB registered a significant increase of \$17.35, or 33 per cent, in 2018, compared with the previous year. The second consecutive yearly rise came amid a more balanced global oil market for most of the year, which was enhanced by the voluntary production adjustments under the 'Declaration of Cooperation', as well as from a continuing general healthy global economy and steady oil demand growth in 2018. In December, ICE Brent was on average \$8.27, or 12.5 per cent, lower m-o-m at \$57.67/b, while NYMEX WTI fell by \$7.71, or 13.6 per cent, m-o-m to average \$48.98/b. The Brent and WTI market structures remained in contango, while the Dubai market structure was marginally flatter.

World economy — The global economic growth forecast remains unchanged at 3.7 per cent for 2018 and 3.5 per cent for 2019. In the OECD, US growth is unchanged at 2.9 per cent for 2018 and 2.6 per cent for 2019. Euro-zone growth remains at 1.9 per cent for 2018 and 1.7 per cent for 2019. GDP growth in Japan was revised down slightly to 0.8 per cent for 2018 and 1.0 per cent for 2019. In the non-OECD countries, both India's and China's growth forecasts remain at 7.5 per cent and 6.5 per cent for 2018, respectively, and at 7.2 per cent and 6.1 per cent, respectively, for 2019. Growth in Brazil remains unchanged at 1.1 per cent for 2018 and 1.8 per cent for 2019. Russia's GDP growth forecast is also unchanged at 1.6 per cent for 2018 and 1.7 per cent for 2019. The upside to global growth is limited, with the risk remaining skewed to the downside amid ongoing trade tensions, monetary tightening and geopolitical challenges.

World oil demand — In 2018, world oil demand growth is estimated at 1.50 million barrels/

day, unchanged from last month's report. OECD Americas continues to lead growth in the OECD region in response to strong gains for light and middle distillates throughout 2018. Other Asia is estimated to lead demand growth in the non-OECD, and globally, on strengthening product demand growth in India, Indonesia, Singapore and Thailand. Total oil demand is now pegged at 98.78m b/d. In 2019, world oil demand is forecast to rise by 1.29m b/d, also in line with last month's projections. As a result, total world oil demand is projected to reach 100.08m b/d for the year. Oil demand growth is expected to originate mainly from Other Asia, led by India, followed by China and OECD Americas. OECD countries are anticipated to rise by 250,000 b/d in 2019, while non-OECD countries are projected to drive oil demand growth by adding an estimated 1.04m b/d.

World oil supply — Non-OPEC oil supply growth in 2018 — including the State of Qatar — is estimated at 2.61m b/d, an upward revision of 50,000 b/d from the previous month's assessment to average 62.06m b/d. This compares to an average of 60.03m b/d — excluding Qatar liquids supply — in the December *MOMR*. The US, Canada, Russia and Kazakhstan are seen to be the main growth drivers, while Mexico and Norway are estimated to show the largest declines. Non-OPEC oil supply growth in 2019 was revised down by 60,000 b/d to 2.10m b/d and is now forecast to average 64.16m b/d for the year. This was mainly due to a downward revision in Canada's supply forecast. The US, Brazil, Russia and the UK are projected to be the main drivers for this year's growth, while Mexico and Norway are expected to see sizeable declines, along with a mild y-o-y decline of 50,000 b/d in Canada. OPEC NGLs — excluding Qatar — in 2018 and 2019 are now expected to grow by 40,000 b/d and 110,000 b/d, respectively, to show lower average levels of 4.98m b/d and 5.09m b/d. In December 2018, OPEC crude oil production decreased by 751,000 b/d to average 31.58m b/d, according to secondary sources.

Product markets and refining operations — Product markets in all main trading hubs weak-

ened in December. The mild winter weather witnessed in early December, along with disappointing diesel and kerosene performances attributed to strong stock builds, as well as lower arbitrage opportunities and ample supplies, weighed on margins. Across the barrel, in all main regions, naphtha was the only product to exhibit a positive performance, supported by a pick-up in petrochemical requirements, particularly in Asia, which limited margin losses compared with other regions.

Tanker market — December saw a softer sentiment in the tanker market, with average dirty tanker spot freights relatively stable, influenced by a drop in VLCC and Suezmax rates from the previous month. Lower rates came on the back of limited demand, as a result of the holiday season, which led to thin market activity in general. Nevertheless, the drop was offset by higher rates registered by the Aframax class, supported by severe weather conditions, delays and replacements in December. Clean tanker spot freight rates showed a positive performance on all routes, with significant gains registered on both the eastern and western directions of Suez.

Stock movements — Preliminary data for November 2018 showed that total OECD commercial oil stocks fell slightly by 700,000 b m-o-m to stand at 2,871m b. This was 32m b lower than the same month in the previous year, but 23m b above the latest five-year average. Within the components, crude stocks indicated a surplus of 28.5m b, while product stocks were 5.5m b below the latest five-year average. In terms of days of forward cover, OECD commercial stocks fell by 0.4 days m-o-m in November to stand at 59.2 days. This was 1.5 days below the same period in 2017 and 1.4 days below the latest five-year average.

Balance of supply and demand — Demand for OPEC crude in 2018 — excluding the State of Qatar — is estimated at 31.7m b/d, 1.2m b/d lower than the 2017 level. In 2019, demand for OPEC crude is forecast at 30.8m b/d, around 900,000 b/d lower than the 2018 estimate. 

The feature article and oil market highlights are taken from OPEC's Monthly Oil Market Report (MOMR) for January 2019. Published by the Secretariat's Petroleum Studies Department, the publication may be downloaded in PDF format from our Website (www.opec.org), provided OPEC is credited as the source for any usage. The additional graphs and tables on the following pages reflect the latest data on OPEC Reference Basket and crude and oil product prices in general.

Table 1: OPEC Reference Basket spot crude prices
\$/b

Crude/Member Country	2017	2018												Weeks 48-52/2018 (week ending)				
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Nov 30	Dec 7	Dec 14	Dec 21	Dec 28
Arab Light – Saudi Arabia	62.50	67.42	64.03	64.40	68.91	74.68	74.26	74.16	73.38	78.16	80.02	66.36	58.24	59.75	61.07	60.22	56.75	52.68
Basrah Light – Iraq	61.44	66.11	62.31	62.27	67.06	72.83	71.90	72.02	71.10	76.18	78.26	64.12	56.12	57.69	59.10	58.28	54.38	50.49
Bonny Light – Nigeria	64.64	69.92	66.02	67.05	72.75	77.73	74.86	75.06	73.29	79.45	82.09	65.90	57.82	59.93	61.21	60.46	55.39	51.80
Djeno – Congo*	62.83	67.42	62.97	64.08	69.31	73.84	70.58	70.91	69.66	76.18	78.52	62.06	54.36	56.09	57.75	57.00	51.93	48.34
Es Sider – Libya	63.09	68.23	64.36	64.89	70.43	75.25	72.27	72.43	70.74	77.10	79.62	63.11	55.66	57.14	59.05	58.30	53.23	49.64
Girassol – Angola	64.97	69.77	66.09	66.89	71.80	76.75	73.54	74.40	73.20	79.48	82.24	65.66	57.52	59.53	61.09	60.10	55.03	51.44
Iran Heavy – IR Iran	60.87	65.85	62.27	62.15	66.56	72.15	71.69	71.44	70.46	75.28	77.04	62.83	54.84	56.16	57.71	56.84	53.39	49.15
Kuwait Export – Kuwait	60.94	65.74	62.14	62.23	66.99	72.55	72.38	72.33	71.82	76.82	78.56	65.15	57.10	58.53	59.91	59.06	55.66	51.54
Marine – Qatar	61.54	66.36	63.14	63.39	67.63	73.36	72.94	73.06	72.45	76.45	78.89	65.88	57.33	59.04	60.11	59.26	55.89	51.89
Merey – Venezuela	56.04	59.14	57.68	56.94	60.25	68.29	69.25	70.37	67.38	69.31	75.25	65.87	49.89	58.34	53.50	51.69	47.34	45.13
Murban – UAE	63.84	68.81	65.88	66.31	70.97	76.71	76.18	76.00	74.91	78.75	81.28	68.05	59.33	61.19	62.38	61.28	57.72	53.67
Oriente – Ecuador	59.66	63.53	60.28	61.16	65.37	70.39	70.05	69.11	69.39	74.12	75.48	59.76	51.26	53.13	54.56	53.64	48.62	46.21
Rabi Light – Gabon	63.17	68.16	64.19	64.92	70.61	75.88	73.11	73.07	71.86	78.04	80.37	63.91	56.21	57.94	59.60	58.85	53.78	50.19
Saharan Blend – Algeria	64.74	69.93	66.01	66.69	72.13	77.25	73.37	73.93	72.64	79.55	81.12	64.96	56.41	58.99	59.80	59.05	53.98	50.39
Zafiro – Equatorial Guinea	64.34	69.23	65.19	65.91	71.43	76.68	73.84	74.05	72.74	79.10	81.82	65.36	57.66	59.39	61.05	60.30	55.23	51.64
OPEC Reference Basket	62.06	66.85	63.48	63.76	68.43	74.11	73.22	73.27	72.26	77.18	79.39	65.33	56.94	58.80	59.95	59.05	55.20	51.34

Table 2: Selected spot crude prices
\$/b

Crude/country	2017	2018												Weeks 48-52/2018 (week ending)				
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Nov 30	Dec 7	Dec 14	Dec 21	Dec 28
Arab Heavy – Saudi Arabia	60.47	65.24	61.60	61.49	66.47	72.24	72.30	72.50	72.35	77.14	78.47	65.40	57.24	58.73	60.01	59.14	55.94	51.62
Brega – Libya	63.54	68.68	64.96	65.64	71.33	76.35	73.47	73.63	71.94	78.00	80.42	63.91	56.16	57.94	59.55	58.80	53.73	50.14
Brent Dtd – North Sea	64.14	69.13	65.16	65.89	71.58	76.85	74.17	74.33	72.64	78.80	81.12	64.66	56.96	58.69	60.35	59.60	54.53	50.94
Dubai – UAE	61.61	66.15	62.69	62.76	68.29	74.20	73.61	73.09	72.47	77.22	79.40	65.79	57.29	59.19	60.04	59.22	55.84	51.89
Ekofisk – North Sea	64.98	69.99	65.81	66.63	72.61	78.28	73.99	74.54	72.84	79.30	82.13	65.04	57.83	59.34	60.85	60.10	55.03	51.62
Iran Light – IR Iran	63.37	68.32	62.64	63.44	68.76	74.60	72.56	72.10	70.34	76.40	78.08	62.79	55.96	57.32	58.98	58.11	53.20	49.90
Isthmus – Mexico	62.57	67.57	64.83	65.40	68.10	73.03	70.92	69.63	67.05	74.44	80.03	65.43	55.58	58.95	58.67	57.48	53.25	51.11
Oman – Oman	61.63	66.42	63.00	63.31	68.34	74.38	73.69	73.20	72.72	78.75	80.23	66.31	57.69	59.57	60.47	59.56	56.54	51.83
Suez Mix – Egypt	62.04	66.99	61.31	61.93	67.62	73.67	71.85	71.50	69.81	76.80	78.46	62.71	55.83	57.19	58.85	57.98	53.07	49.77
Minas – Indonesia*	56.95	60.91	58.15	58.90	63.53	68.26	76.72	73.51	66.90	72.02	73.66	59.17	50.28	51.64	53.08	52.45	48.91	44.30
Urals – Russia	63.75	68.69	63.01	63.63	69.16	75.23	73.55	73.20	71.62	78.50	80.16	64.41	57.18	58.89	60.55	59.68	54.77	51.44
WTI – North America	57.94	63.70	62.15	62.76	66.32	69.89	67.70	71.03	67.99	70.20	70.75	56.75	49.52	51.17	52.64	51.52	46.87	45.39

Notes:

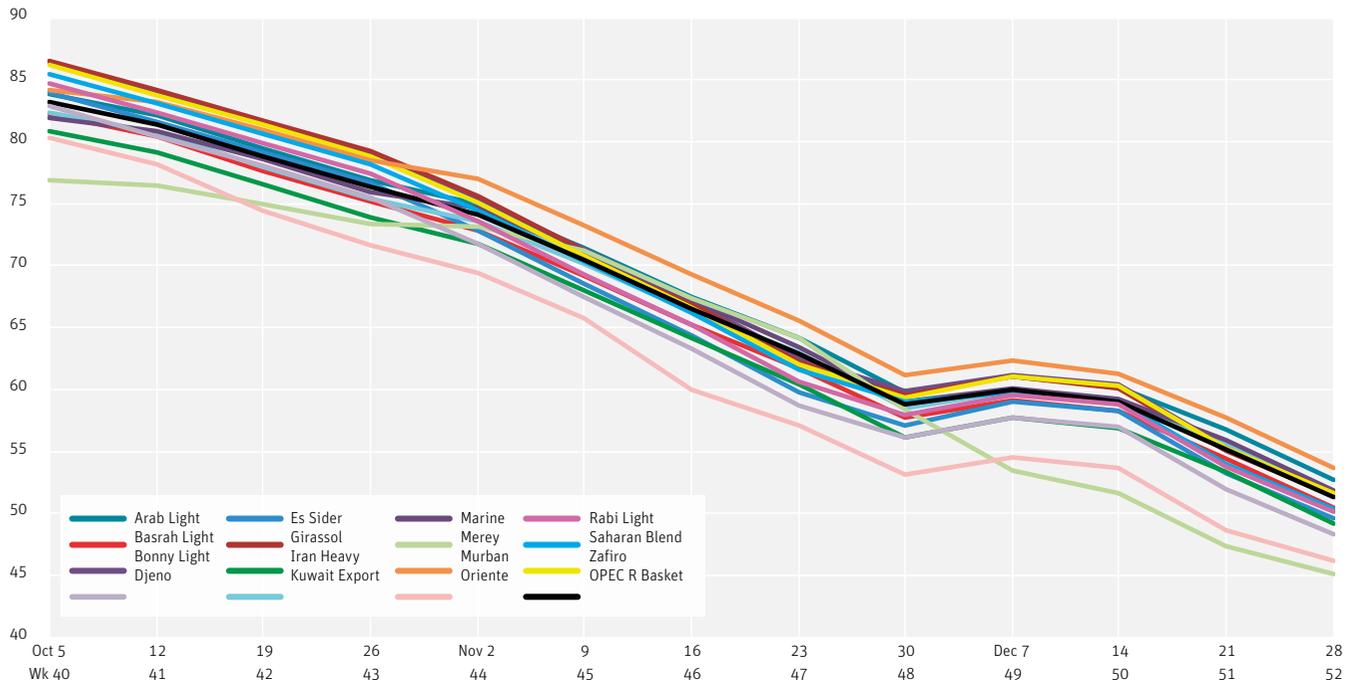
Brent for dated cargoes; Urals cif Mediterranean. All others fob loading port.

* The Republic of the Congo joined on June 22, 2018.

Sources: Argus; Secretariat's assessments.

Graph 1: Evolution of the OPEC Reference Basket spot crude prices, 2018

\$/b



Graph 2: Evolution of selected spot crude prices, 2018

\$/b

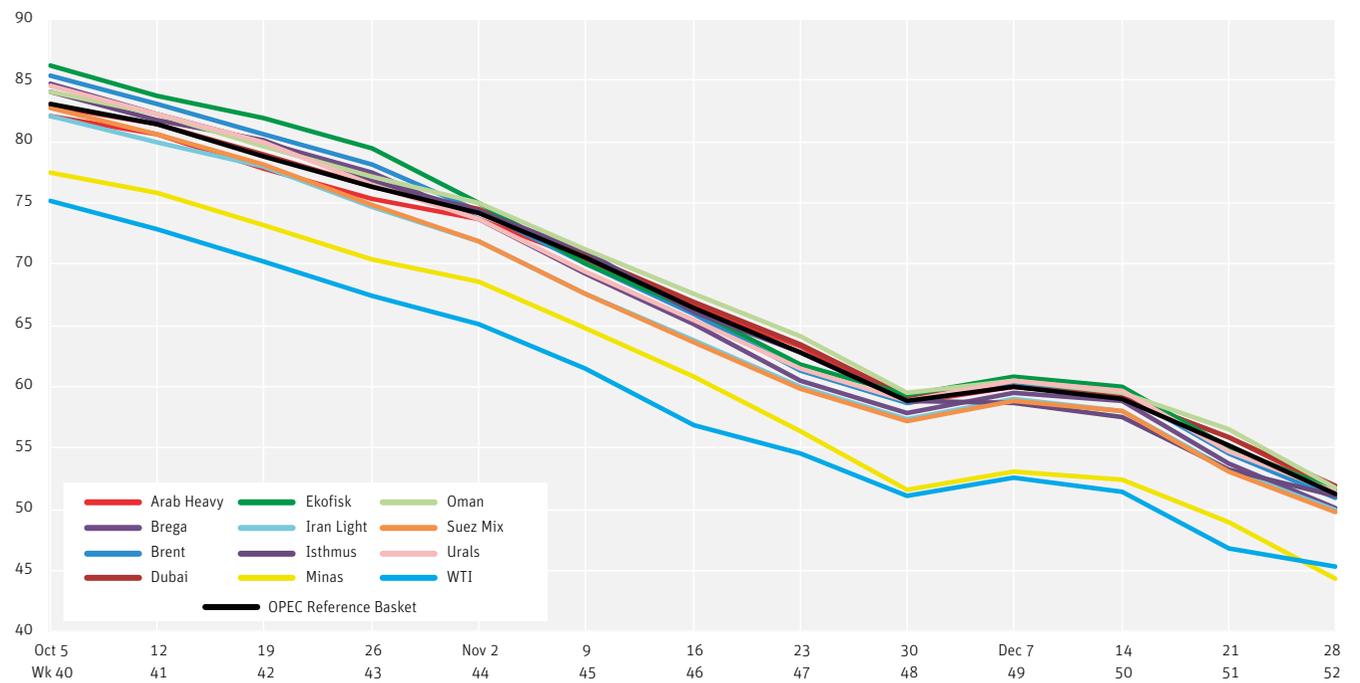


Table and Graph 3: North European market – spot barges, fob Rotterdam

\$/b

		naphtha	regular gasoline unleaded	diesel ultra light	jet kero	fuel oil 1 per cent S	fuel oil 3.5 per cent S
2017	December	63.79	80.40	76.56	77.64	54.46	51.21
2018	January	65.48	85.60	82.15	83.10	57.65	54.41
	February	61.52	82.80	77.45	81.65	55.15	52.04
	March	63.29	79.34	78.64	82.03	55.15	52.00
	April	67.11	90.68	85.49	87.45	58.66	55.61
	May	73.73	96.58	91.30	93.03	65.69	62.64
	June	69.92	93.71	88.75	89.30	65.94	62.70
	July	71.04	93.79	88.00	88.79	67.51	64.45
	August	70.82	95.01	88.49	87.96	65.73	62.59
	September	74.71	95.03	92.86	92.51	67.75	64.72
	October	73.15	91.20	97.18	97.45	73.08	69.67
	November	55.86	76.78	86.35	85.10	62.61	58.71
	December	50.95	67.58	74.59	74.80	53.08	48.88

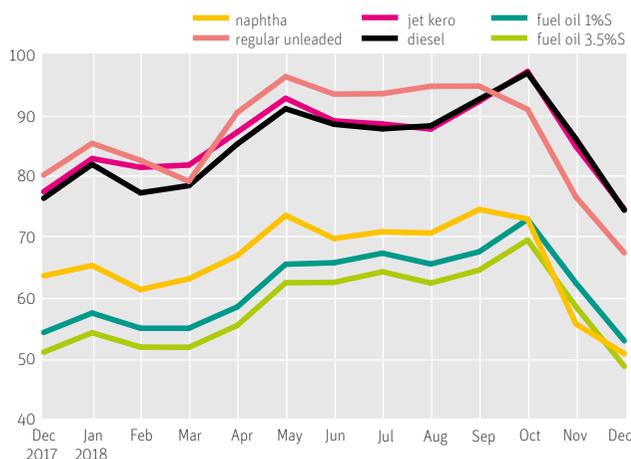


Table and Graph 4: South European market – spot cargoes, fob Italy

\$/b

		naphtha	premium gasoline 50ppm	diesel ultra light	fuel oil 1 per cent S	fuel oil 3.5 per cent S
2017	December	62.72	72.85	77.24	55.51	52.65
2018	January	64.29	78.36	82.91	59.24	55.94
	February	60.54	74.32	78.73	56.29	53.44
	March	62.41	74.83	79.81	56.38	53.47
	April	66.59	83.43	86.62	59.63	56.90
	May	73.32	88.50	92.52	66.57	63.80
	June	69.53	85.99	89.18	67.38	64.27
	July	70.74	86.82	89.12	68.37	65.88
	August	70.61	88.59	89.63	66.43	63.97
	September	74.54	88.22	93.93	68.74	66.11
	October	72.58	83.56	97.91	74.28	70.81
	November	54.99	68.63	86.34	64.51	60.01
	December	49.32	59.95	74.92	54.58	49.67

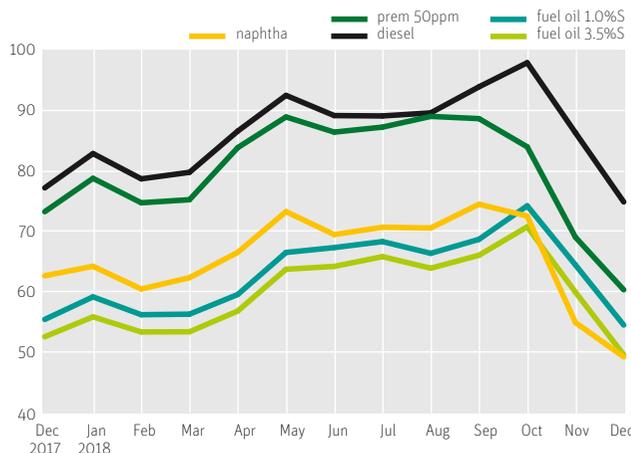
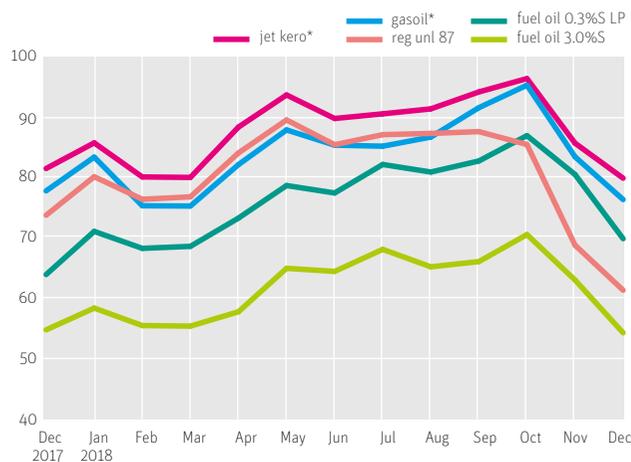


Table and Graph 5: US East Coast market – spot cargoes, New York

\$/b, duties and fees included

		regular gasoline unleaded 87	gasoil*	jet kero*	fuel oil 0.3 per cent S	fuel oil 3.0 per cent S
2017	December	73.63	77.66	81.35	63.83	54.69
2018	January	80.00	83.24	85.59	70.96	58.29
	February	76.27	75.20	79.96	68.16	55.40
	March	76.67	75.15	79.88	68.49	55.31
	April	83.93	82.00	88.20	73.16	57.68
	May	89.38	87.73	93.51	78.54	64.86
	June	85.29	85.21	89.62	77.31	64.35
	July	86.95	85.04	90.39	82.02	67.99
	August	87.15	86.55	91.21	80.77	65.11
	September	87.45	91.41	94.01	82.60	65.97
	October	85.32	95.12	96.22	86.79	70.44
	November	68.68	83.28	85.54	80.36	62.93
	December	61.24	76.22	79.75	69.75	54.20



* FOB barge spot prices.

Source: Argus. Prices are average of available days.

Table and Graph 6: Singapore market – spot cargoes, fob

\$/b

		naphtha	premium gasoline unl 95	premium gasoline unl 92	gasoil	jet kero	fuel oil 180 Cst	fuel oil 380 Cst
2017	December	65.21	75.32	73.26	75.27	75.45	62.10	56.20
2018	January	66.26	78.61	76.65	80.78	81.00	64.40	58.85
	February	61.41	77.02	74.15	77.46	80.01	62.58	56.56
	March	63.08	77.12	74.25	77.75	79.00	61.74	56.05
	April	67.14	81.50	78.45	83.72	85.16	64.41	59.63
	May	74.66	87.60	85.29	89.52	89.93	73.38	67.07
	June	70.89	83.53	81.50	86.87	86.91	74.47	68.15
	July	72.25	83.11	81.08	85.55	87.31	76.38	69.98
	August	71.76	84.83	82.44	87.61	87.31	75.76	68.57
	September	75.39	89.53	87.51	92.76	91.75	77.59	70.54
	October	74.90	87.64	85.66	95.97	95.16	83.63	76.59
	November	57.01	68.65	66.92	81.63	82.97	77.24	68.25
	December	52.13	60.02	57.98	69.03	71.17	64.16	56.63

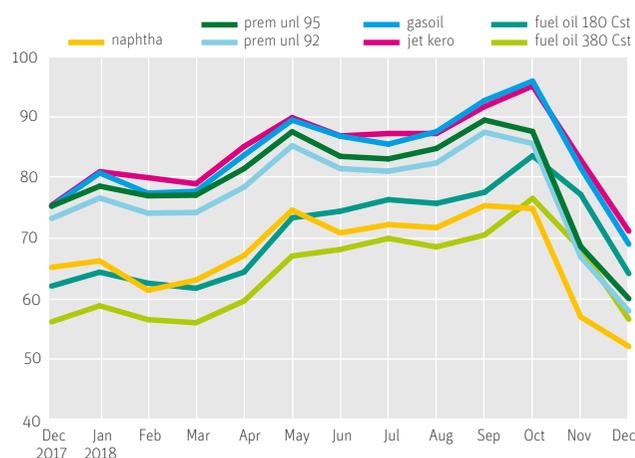
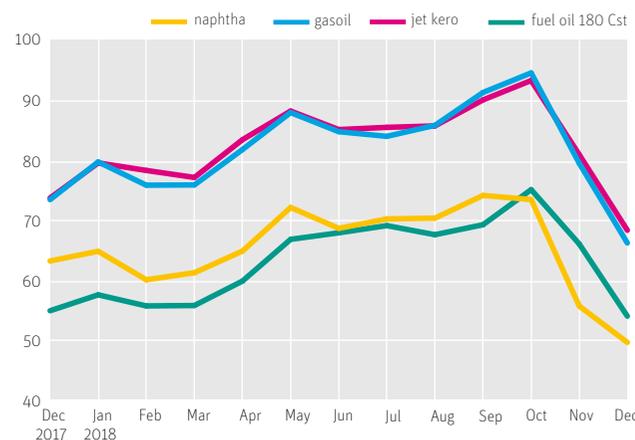


Table and Graph 7: Middle East Gulf market – spot cargoes, fob

\$/b

		naphtha	gasoil	jet kero	fuel oil 180 Cst
2017	December	63.31	73.46	73.74	55.06
2018	January	64.91	79.71	79.55	57.70
	February	60.19	75.86	78.30	55.86
	March	61.36	75.90	77.14	55.93
	April	64.95	81.77	83.40	59.98
	May	72.17	87.89	88.14	66.89
	June	68.71	84.72	85.07	67.97
	July	70.27	83.95	85.44	69.16
	August	70.40	85.77	85.68	67.66
	September	74.16	91.22	89.99	69.31
	October	73.48	94.46	93.20	75.12
	November	55.84	79.49	80.91	66.12
	December	49.81	66.28	68.39	54.16



Source: Argus. Prices are average of available days.

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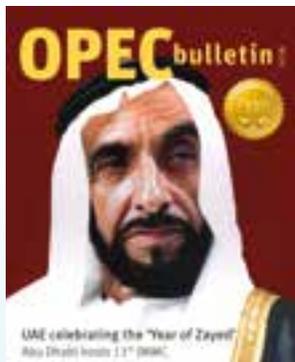
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