Download the OPEC MOMR App free of charge!

- Essential information on the oil market
- 100+ interactive articles and tables detailing crude price movements, oil futures, prices and much more
- Analysis of the world economy, world oil supply and demand
- Compare data interactively and maximize information extraction
In the early and mid-20th century, when resource-rich oil producing countries in the southern hemisphere dared to raise their voices to express concern over the unilateral pricing decisions imposed by the dominant oil majors of the time, they were routinely told to quiet down. Their only role, they were told was to simply provide access to the oil fields on their lands.

They were generally told to not worry; to be grateful that powerful and prestigious international companies were even interested in engaging in business with them. And if they didn’t like the terms of the contracts, or the conditions, or the treatment they received, they were warned that they would be left without income.

It was this kind of treatment that inspired the Founding Fathers of OPEC to gather quietly, calmly, on the sidelines of the First Arab Petroleum Congress in Cairo in 1959 — and to begin to brainstorm ways to change the status quo. Several articles in this edition of the OPEC Bulletin provide further details about that foundational meeting and the genesis of what would eventually become known as OPEC.

The impact of that preliminary meeting and the Organization that it eventually gave rise to has been much documented. It was an important act of self-assertion that somehow seemed to match the tenor of the time, with the winds of change and national sovereignty sweeping the developing countries of the world. The Founding Fathers and the early members of OPEC were driven by an overriding concern for the national interests of their respective countries.

They certainly never showed or displayed anger or stress or worry. They calmly, professionally, steadily discussed, took notes, strategized — and proceeded with the creation of what would be their legacy: the Organization of the Petroleum Exporting Countries.

So now, when the Organization is expected to “take it easy”, one could be forgiven for thinking that it sounds quite reminiscent of the way the oil majors used to treat the oil-rich countries of the developing world. The irony is that 60 years ago, the pressure was on producers to abide by whatever prices the ‘Seven Sisters’ decided; while today, even though pricing is generally determined by the fundamentals of supply and demand, the pressure is still on producers — so that they may ensure price extremes are avoided.

This kind of pressure is driven by a basic misunderstanding of the determinants of pricing on the part of both the media and consumers. And thus, one of OPEC’s ongoing challenges is ensuring transparency of information and informing the public as to the Organization’s role in the global oil market.

Perhaps it is appropriate to also, once again, assure markets to remain calm. The reality is, if there were one message to give to consumers and the industrialized countries of the world when they are concerned about rising prices, it is that they needn’t worry. We are very far from seeing the kinds of price volatility that has characterized the market during at least six different price cycles in the past half-century.

Perhaps it behooves us to remind consumers and the world’s largest economies that vigilance remains one of our watchwords, and that with the work and input and analysis of the Joint Ministerial Monitoring Committee, supported by the work of the Joint Technical Committee, OPEC and other non-OPEC producers are keenly aware of price trends and the momentum in the market.

In addition, it is worth remembering — and also worth reminding others — that OPEC has consistently, over its 60-year history, stepped in at critical moments and taken decisions and implemented actions that have ameliorated conditions for everyone — not just producers but consumers, the industry and the global economy. In short, there is no need to panic.

In 1939, on the eve of World War II, the British government produced a simple motivational poster whose aim it was to increase the morale of the public. “Keep calm and carry on” was the message. But it was not well distributed at the time, and then quickly passed into oblivion. In 2000, when a copy of the poster was ‘discovered’ in a small bookshop in England, it quickly became famous — and now, the slogan is seen on all sorts of items and merchandise, and variations on its wording have also appeared, some humorous, some more poignant.

We refer to this little historical detail not because of Anglophilia or a preoccupation with ephemera from bygone decades; we refer to it because its once forgotten message, recently re-discovered, is an apt reminder that no matter what the vicissitudes of the market bring, there is no reason for worry. Remaining calm, as OPEC’s Secretary General has consistently demonstrated, is important.

Regardless of what unexpected ‘black swans’ appear on the horizon — whether disruptive weather patterns and storms, or geopolitical occurrences — OPEC shall always be ready, able and willing to take decisions and implement actions, along with other producers. “Relax and take it easy” should be heeded by all who feel a weight on their shoulders.
JMMC in Baku  
4 OPEC and non-OPEC make pilgrimage to Baku, cradle of the oil industry

Azerbaijan Special  
13 JMMC returns to Jeddah for May Meeting

Azerbaijan: land of history and prosperity

Dialogue  
24 US outreach — Extending a hand

Atlantic Council

CSIS

CERAWEEK 2019

Spotlight  
34 3rd Egypt Petroleum Show (EGYS) 2019 — Returning to OPEC’s roots in Egypt

40 Turning back the hands of time: Recalling the historic Maadi Pact

44 OPEC and Egypt: A bond of strength and duration

Anniversary  
48 Celebrating 40 years since the creation of the Islamic Republic of Iran

Symposium  
54 IEA-IEF-OPEC Symposium: Importance of energy outlooks is greater than ever

Award  
58 Al Mazrouei recognized as ‘International oil diplomacy person of the year 2018’
OPEC Bulletin

Contributions

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

The OPEC Bulletin is published by the OPEC Secretariat (Public Relations and Information Department). The contents do not necessarily reflect the official views of OPEC or its Member Countries. Names and boundaries on any maps should not be regarded as authoritative. The OPEC Secretariat shall not be held liable for any losses or damages as a result of reliance on and/or use of the information contained in the OPEC Bulletin. Editorial material may be freely reproduced (unless copyrighted), crediting the OPEC Bulletin as the source. A copy to the Editor would be appreciated.

Indexing

Indexed and abstracted in PAIS International

Printed in Austria

---

Interview 62

The roots of the 'Declaration of Cooperation': An interview with Dr Manouchehr Takin

Newsline 68

Saudi Arabia discovers natural gas in the Red Sea

Major oil discoveries made in Angola

Van Beurden named petroleum executive of the year

Arts & Life 70

Azerbaijan welcomes the Formula 1 Grand Prix to Baku

OPEC Fund News 74

Refugees and host communities: where next?

Briefings 80

Visits to the OPEC Secretariat

Vacancy Announcements 82

Job opportunities at the OPEC Secretariat

Noticeboard 84

Oil industry events

Market Review 85

Review of global oil demand trends

87

Review of global economic development

OPEC Publications 93

Reading material about OPEC

---

Printed in Austria
OPEC and non-OPEC make pilgrimage to Baku, cradle of the oil industry

The city of Baku has played a unique role in the history of oil. It is the cradle of the industry, a city of ‘firsts’ — the site of the first oil well being drilled in 1846; the first wooden oil derrick in 1871; the first distillery in 1876 and the world’s first oil tanker ship, the Zoroaster, was built there in 1877. Therefore, convening the Joint Ministerial Monitoring Committee (JMMC) Meeting in Baku on March 18, 2019, was a pilgrimage of sorts for participants, who are keen students of the history of the oil industry. The OPEC Bulletin files this exclusive report.
Productive and result-orientated meeting

Following the 27th meeting of the Joint Technical Committee (JTC) held on March 17, 2019, the JMMC, with representatives from all the Committee Members present, convened in Baku, Azerbaijan, for its 13th meeting on March 18, 2019, to review the JTC report for February 2019 on the implementation of the ‘Declaration of Cooperation’. The meeting was chaired by the JMMC Chairman, Khalid A Al-Falih of Saudi Arabia, and co-chaired by Pavel Sorokin on behalf of Alexander Novak, Minister of Energy of the Russian Federation. Also in attendance were representatives from Azerbaijan, Bahrain, Brunei Darussalam, Congo and Libya.

The meeting was extremely productive and results-orientated, reflecting fruitful deliberations with multiple outcomes, which heartened the global oil market. It also acted as a significant milestone in advance of the 14th JMMC Meeting to be held in Jeddah, Saudi Arabia, on May 19; the 176th Meeting of the OPEC Conference, scheduled for June 25, 2019; and the 6th OPEC and non-OPEC Ministerial Meeting on June 26, 2019. In fulfilling its vital monitoring function, the JMMC has ensured that the ‘Declaration of Cooperation’ process has been transparent and all-inclusive, providing an indispensable layer of accountability to the proceedings, especially with regard to implementing the voluntary adjustments in production.

The meeting in Baku demonstrated this one again, providing a forum for knowledge exchange and informed discussion. Indeed, the critical role of the JMMC was reaffirmed.

Outstanding hosts

In his opening remarks, the JMMC Chairman paid tribute to the Azerbaijani hosts saying: “I want to express our appreciation to President Ilham Aliyev for his global statesmanship and visionary leadership in demonstrating over the years the value of cooperation between OPEC and non-OPEC producers. I also want to thank the Government of Azerbaijan, as well as our host, Parviz Shahbazov, for their warm welcome, their gracious hospitality, and the fantastic organization of these meetings.”

Al-Falih continued by saying: “Our partners in the ‘Declaration of Cooperation’ and the JMMC have done an outstanding job navigating testing times. So, I want to thank both the JMMC members and the broader membership of the OPEC Conference and our non-OPEC colleagues, led by Russia, for their cooperation, without which the fairly steady market performance we have achieved would have been impossible.” He noted the critical role the ‘Declaration of Cooperation’ process has played in stabilizing the market, stating: “Our experience tells us that whenever we have taken our hands off the steering wheel for even short periods of time, the market has ways of quickly getting off track — and once that happens it becomes a lot harder to put it back on course.”
A warm welcome to Baku

Parviz Shahbazov, Azerbaijan’s Minister of Energy, delivered remarks welcoming the delegations to Azerbaijan and emphasizing the country’s foundational role in the industry.

“Your presence in Baku for this meeting of the Joint Ministerial Monitoring Committee testifies to high value attached to the history of oil. This event also legitimizes the historic role of Azerbaijan in the oil industry as the land of the first industrially drilled oil well, the origin of the first offshore oil platform and the first oil pipeline, by giving these facts a widespread acceptance.

“This very country — Azerbaijan, was the world champion in oil production and refining in 1899 and accounted for half of the world’s oil production volume.”

He also touched on crucial role of Azerbaijan’s President during the OPEC-non-OPEC consultations that culminated in the decisions establishing the ‘Declaration of Cooperation’.

“As a matter of fact, the creation of the united format of OPEC and non-OPEC countries in order to tackle the challenges in the global oil market stems from the idea by President Ilham Aliyev, which he proposed during the World Economic Forum held in Davos in 2016. He said that more coordination between OPEC Members and non-OPEC members with respect to the reduction of production can bring results.”

A transparent and inclusive platform

Manuel Salvador Quevedo Fernandez, Venezuela’s People’s Minister of Petroleum and President of the OPEC Conference, shared his thoughts on current market dynamics. He said: “I would also like to say it has been an honour for Venezuela to serve on the JMMC for the last two years. We have to continue with the transparent and inclusive manner that has driven the JMMC, under the able direction of our two Chairs. The JMMC has proven to be a collaborative, resilient and adaptable platform that has been able to help address imbalances in the market, and allow us to deliver on the objectives of the historic ‘Declaration of Cooperation’.”

Quevedo added that since the beginning of the historical cooperation for oil market stability in January 2017, participating countries of the ‘Declaration of Cooperation’ have consistently honoured their voluntary commitments and achieved remarkable success.

Improved market sentiment

In analyzing conditions in the market for the first two months of 2019 compared to the final quarter of 2018, the JMMC noted that the difference is like night and day. In 4Q18, the market was beset by turbulence and volatility, while in January and February 2019, there has been a marked improvement in market conditions. Inventories have been gradually declining, sentiment is moving in
A positive direction and an element of stabilization is being reintroduced. For February, OECD commercial oil stocks fell from the previous month by 14.4 million barrels to stand at 2,865 million b, about 10 million b above the latest five-year average. Undoubtedly, these positive developments are due to the steadfast commitment of the OPEC and non-OPEC participating countries of the ‘Declaration of Cooperation’ in implementing their voluntary production adjustments.

Most pleasing of all, during the JMMC, all participating countries expressed their unequivocal commitment to implementing and even exceeding their voluntary production adjustments over the coming months. Of course, allowances have to be made for the variety of particular circumstances within each participating country due to the nature of their oil industries, the number of oil companies, seasonal conditions and other factors.

With regard to the conformity figures, a similar pattern is emerging to that of the start of 2017, which is extremely heartening, for this eventually resulted in the tremendous success for the ‘Declaration of Cooperation’. Overall conformity reached almost 90 per cent for the month of February 2019, which is up from 83 per cent in the month of January 2019.

**Four new members of the JMMC**

The Committee also recommended, for the Conference’s consideration, four new prospective members: Iraq, Kazakhstan, Nigeria and the United Arab Emirates. The expanded JMMC has evolved into one of the jewels of the crown in the OPEC and non-OPEC partnership, embodying the principles of fairness, transparency and equity.

The JMMC also endorsed adjustments to the baselines of three countries: Brunei Darussalam, Ecuador and Malaysia. Brunei Darussalam requested to have its reference production at 135,000 b/d; Ecuador requested to be referenced at 531,000 b/d (September 2018) and Malaysia at 653,000 b/d. Taken together, these total an adjustment of 37,000 b/d. This adjustment reflects the spirit of collegiality that pervades the JMMC.
Common-sense decision on April Meetings

Another commendable feature of the OPEC and non-OPEC cooperation is how much it is guided by common-sense and practicality. Due to the fact that market fundamentals are unlikely to materially change in the next two months, the JMMC adopted a recommendation for the Conference’s consideration to forego the full Ministerial Meeting in April and instead schedule a JMMC meeting in May ahead of the OPEC Conference meeting on June 25 and the OPEC and non-OPEC Ministerial Meeting on June 26, during which a decision will be taken on the production target for the second half of 2019. This will provide participating countries more time to analyze the market in order to take a more informed decision in June regarding policies for future cooperation. This recommendation is subject to ratification by the OPEC Conference and the OPEC and non-OPEC Ministerial Meeting.

Media interest in the meeting was intense. Over 130 journalists from 20 different countries were in attendance at the event. Two press conferences (held on March 17 and 18) were organized and well-attended. The official press release of the 13th JMMC was widely disseminated and has been extensively viewed since being uploaded on OPEC’s official website. Thirty-six tweets were drafted and posted on OPEC’s official Twitter account during both the JTC and JMMC meetings. The JMMC Co-Chairmen, the OPEC Conference President, the Secretary General and other Ministers were interviewed by key media outlets, both local and international. The unity of messaging was impressive, with all emphasizing the common commitment of participating countries to implement their voluntary adjustments in production.

Extremely successful meeting

All told, this was a highly positive meeting, reflecting improved sentiment in the market; a renewed commitment and resolve by all participating countries to sustained market stability; an expanded membership of the JMMC; and policy formation guided by common-sense and practicality. Once again, the ‘Declaration of Cooperation’ partnership has delivered. All participants left Baku reinvigorated and confident that they are on the right track.
At the press conference were (l–r): Manuel Salvador Quevedo Fernandez, People’s Minister of Petroleum of Venezuela, and President of the OPEC Conference; Mohammad Sanusi Barkindo, OPEC Secretary General; Khalid A Al-Falih, Minister of Energy, Industry and Mineral Resources of the Kingdom of Saudi Arabia, Chairman of the JMMC; Parviz Shahbazov, Minister of Energy, Azerbaijan; Hasan Hafid, Head of OPEC’s PR & Information Department; and Mathew Quinn, Editor/Speechwriter, OPEC’s PR & Information Department.

Delegates take time out for a group photograph.
13th Meeting of the Joint Ministerial Monitoring Committee

Eng Mohamed Hamel (r); and Dr Achraf Benhassine (l); from the Algerian Delegation.

Thamir Abbas Al Ghadhban, Deputy Prime Minister for Energy Affairs and Minister of Oil, Iraq.

Dr Khaled Al-Fadhel (c), Minister of Oil, Minister of Electricity & Water; Saud Abdulaziz Alroomi (r); and Haitham Al-Ghais; from the Kuwait Delegation.

Teresa Goma (r); and Jean Baptiste Pouti (l); from the Congo Delegation.

Mustafa Sanalla (r), Chairman of the National Oil Corporation; and Imad Ben Rajab from the Libyan Delegation.

Dr Omar Farouk Ibrahim (r); and Umar Aminu, GM IER (l), from the Nigerian Delegation.
Press briefing with Alexander Novak (third l), Minister of Energy of The Russian Federation.
Baku has played a unique role in the history of oil. It is the cradle of the industry — the site of the world’s first industrially drilled oil well, in 1846, Azerbaijan.
JMM C returns to Jeddah for May Meeting

After the highly successful conclusion of the 13th Meeting of the Joint Ministerial Monitoring Committee (JMMC), which was held in Baku, Azerbaijan, it was announced that the 14th Meeting would convene in Jeddah, Saudi Arabia. The Meeting, which will be preceded by the Meeting of the Joint Technical Committee, is tentatively scheduled for May 17–19, 2019.

This will mark the second time the meeting has been hosted by the Saudi Arabian delegation in the historic city of Jeddah. The first meeting, held on April 20, 2018, was a resounding success with the announcement of a record-breaking overall conformity level of 149 per cent by participating countries of the ‘Declaration of Cooperation’. This was a clear sign of the participating producers’ unwavering dedication to achieving a sustainable stability in the global oil market.
OPEC and Azerbaijan: a strong and enduring partnership

Through its 59 years of existence, the Organization of the Petroleum Exporting Countries (OPEC) has continuously strived to develop constructive dialogues and solid diplomatic ties with various stakeholders in the oil industry, particularly with non-OPEC producers and consumers. Azerbaijan — being one of the oldest producers of this valuable commodity — was without a doubt one of those key stakeholders, with which OPEC has held unique and robust relations regardless of the changing and complex nature of the oil sector.

The OPEC Bulletin’s Ayman Almusallam reports on the milestones and key moments that this close relationship has encountered since its beginning.
OPEC/IPEC Ministerial Meeting on the Environment
April 23, 1992, Vienna, Austria

The historic relationship between OPEC and Azerbaijan dates to 1992, when the latter attended the first OPEC/IPEC Ministerial Meeting on the Environment in the charming capital of Austria, Vienna. IPEC stands for the Independent Petroleum Exporting Countries.

At the meeting, the oil producers exchanged views and discussed several issues of mutual interest, promoting a better understanding among participants. In addition to OPEC Member Countries, other oil-producing nations present at the meeting included, Angola, Canada (Alberta), the People’s Republic of China, Egypt, Kazakhstan, Malaysia, Mexico, Norway, Oman, the Russian Federation and the Republic of Yemen.

The high-level meeting was held two months prior the convening of the United Nations Conference on Environment and Development (UNCED) in Brazil.

Azerbaijan participates at the 5th OPEC International Seminar
June 13–14, 2012, Vienna, Austria

Under the theme ‘Petroleum: fuelling prosperity, supporting sustainability’, OPEC held its world-renowned international seminar at the exquisite Hofburg Palace in Vienna, Austria, on June 13–14, 2012.

At the opening ceremony, Dr Heinz Fischer, then the President of Austria, lauded the intensive efforts carried out by the Organization to promote dialogue in the energy domain. He said: “I very much value the efforts of the Organization of the Petroleum Exporting Countries to extend dialogue and cooperation on energy issues.”

Abdul-Kareem Luaibi Bahedh, then Iraq’s Minister of Oil and President of the OPEC Conference, underscored the exceptional role that the Organization had played since its early days. The Minister said: “OPEC has been at the forefront of the huge advances in dialogue and cooperation that have helped bind the industry together in today’s fast-moving, high-tech, global market.”
In its fifth edition, the respected, major energy event was attended by around 700 guests, including ministers, senior officials, chief executives and many other high-level representatives from the energy and financial sectors.

Being an important actor in the petroleum industry, Azerbaijan was present at the Seminar, represented by its late Minister of Industry and Energy, Natiq Aliyev.

1st Meeting of the High-level Committee of the Algiers Accord and non-OPEC Oil Producing Countries
October 29, 2016, Vienna, Austria

In 2016, OPEC dedicated its tireless efforts and resources to develop a consensus among its Member Countries on the importance of taking concrete steps to accelerate the return of oil market stability, in the interest of oil producers and consumers.

These historic efforts resulted in the landmark decisions taken at the 170th Extraordinary Meeting of the OPEC Conference held in Algiers, Algeria, on the margins of IEF’s 15th Ministerial Meeting. During the proceedings, OPEC recognized the detrimental impacts of the unbalanced oil market and opted for an OPEC-14 production target ranging between 32.5 and 33 million b/d, while calling on non-OPEC oil producing countries to join hands and participate in these beneficial efforts.

The meeting also resulted in the creation of the High-level Committee of the Algiers Accord, which was mandated to define the best means for implementing the decisions of the Conference, as well as to develop a framework to facilitate cooperation between OPEC and non-OPEC oil producers in support of oil market stability.

The High-level Committee held its first meeting on October 28, 2016, followed by a meeting with key non-OPEC oil producing countries on October 29, 2016. Azerbaijan, Brazil, Kazakhstan, Mexico, Oman and the Russian Federation joined OPEC Member Countries at the meeting. Both of these meetings took place in Vienna, Austria.

1st OPEC and non-OPEC Ministerial Meeting
December 10, 2016, Vienna, Austria

Building on the success attained through the various bilateral and multilateral meetings held during 2016, the
year concluded with an unprecedented, historic achievement, when 24 oil-producing countries returned to Vienna to identify the best strategies to address the ongoing market instability and the stock overhang.

At the meeting, the participating countries agreed to voluntarily adjust their production targets to reach the meeting’s key objective of bringing stability back to the global oil market. Non-OPEC oil producers also committed themselves to an overall production adjustment of 558,000 b/d.

Azerbaijan, led by its late, great Minister of Industry and Energy, Natiq Aliyev, attended the meeting as well. The Caspian oil producer played a pivotal role throughout the consultation and implementation phases that culminated in the landmark ‘Declaration of Cooperation’.

2nd OPEC and non-OPEC Ministerial Meeting
May 25, 2017, Vienna, Austria
On May 25, 2017, the oil ministers of the participating countries of the historic Declaration convened at the OPEC Secretariat in Vienna for the second time to review developments in the global oil market and assess how the market was responding to the decisions taken in December of the previous year.

There was a unanimous agreement to continue their efforts and extend the voluntary adjustments in oil production for an additional nine months in hopes of attaining a sustainable stability in the oil market. This also resulted in the extended mandate of the JMMC and JTC for the ongoing monitoring of the implementation process.

The meeting was co-chaired by Saudi Arabia’s Minister of Energy, Industry and Mineral Resources and then President of the OPEC Conference, Khalid A Al-Falih, and the Russian Minister of Energy, Alexander Novak.

3rd OPEC and non-OPEC Ministerial Meeting
November 30, 2017, Vienna, Austria
The third OPEC and non-OPEC Ministerial Meeting was held in a celebratory atmosphere as the Heads of Delegation marked the first anniversary of the historic ‘Declaration of Cooperation’.

In his capacity as the Meeting’s Co-Chair, Saudi Arabia’s Khalid A Al-Falih expressed his deep appreciation and gratitude for the contributions made by all participating countries.

“As we approach the one-year anniversary of the production agreement, I would like to thank all participants, both from OPEC and non-OPEC, for their active and productive engagement,” he stated.
OPEC Secretary General meets the President of Azerbaijan
March 18–19, 2018, Baku, Azerbaijan

On March 18 and 19, 2018, the OPEC Secretary General, Mohammad Sanusi Barkindo, held a series of meetings with a number of Azerbaijani dignitaries and senior officials, as part of an official visit to the country’s capital city, Baku.

In his meeting with President Ilham Aliyev, the leaders reviewed the ongoing cooperation aimed at restoring stability to the oil market and discussed possible avenues and means to enhance collaboration in the future.

The Secretary General also highlighted the crucial and constructive role that the President of Azerbaijan has played to ensure the successful adoption and execution of the Declaration, commending his unique wisdom and distinctive leadership.

Azerbaijan’s Minister of Energy, Parviz Shahbazov, also held a meeting with the Secretary General, in which they explored prospects for future collaboration. The latter expressed his sincere gratitude for the Minister’s continuous support in the ongoing process to institutionalize a framework for lasting cooperation between OPEC Member Countries and non-OPEC oil producing nations.

8th Meeting of the Joint Ministerial Monitoring Committee
April 20, 2018, Jeddah, Kingdom of Saudi Arabia

The Committee conducted its regular review of recent oil market developments and received a status update on the implementation of the ‘Declaration of Cooperation’. An impressive, record-breaking conformity level of 149 per cent was reported, and the Committee lauded the positive efforts and commitment of participating nations.
countries towards achieving the Declaration’s goals through transparency, fairness and equity.

Azerbaijan was present at the meeting and was represented by its Minister of Energy, Parviz Shahbazov.

**OPEC Secretary General participates at the 25th International Caspian Oil and Gas Exhibition and Conference**

May 30, 2018, Baku, Azerbaijan

OPEC Secretary General, Mohammad Sanusi Barkindo, was a featured speaker at the 25th International Caspian Oil and Gas Exhibition and Conference, a leading global energy gathering hosted annually in Baku.

Under the theme ‘Cooperation and innovation as the key factors of a sustainable future,’ the largest energy event in the Caspian region attracted a number of international dignitaries and industry experts to exchange views and discuss major issues confronting the sector.

In the presence of host country Azerbaijan’s President and Minister of Energy, the OPEC Secretary General delivered remarks at the Conference’s opening ceremony, commending the achievements and prosperity that Azerbaijan has realized in recent years under the visionary leadership of its President.

The Secretary General also delivered an opening address to a plenary session, following introductory remarks of Azerbaijan’s Minister of Energy. The Secretary General stressed the long and rich history of the host country, and the key role it has played in the oil sector.

“Azerbaijan was the location of many ‘firsts’ in the historic development of this industry,” he said. “Within three decades of the first oil well being drilled in 1846, the world witnessed the building of the first wooden oil derrick in 1871, the first distillery in 1876 and the first oil tanker ship in 1877.”

**Azerbaijan participates at the 7th OPEC International Seminar**

June 20–21, 2018, Vienna, Austria

In June 2018, the OPEC hosted the seventh edition of the prestigious OPEC International Seminar at Vienna’s opulent royal palace. This leading energy event attracted an outstanding, record-breaking 950 attendees.

The event featured a wide range of industry leaders and experts, including oil and energy ministers, heads of international organizations, chief executives of global corporations and international oil companies, as well as managing directors of national oil companies of OPEC and non-OPEC Member Countries, international journalists and top industry analysts.

Azerbaijan was represented by Minister of Energy Parviz Shahbazov, who participated as a keynote speaker, delivering an exceptional speech at the Seminar’s fifth session, entitled ‘World economy and the future of oil.’

**9th Meeting of the Joint Ministerial Monitoring Committee**

June 21, 2018, Vienna, Austria

In support of the ‘Declaration of Cooperation’ and the JMMC, Azerbaijan attended the Committee’s ninth meeting held at the OPEC Secretariat in Vienna, Austria.

The Committee commended the ongoing cooperation between OPEC and its non-OPEC partners, including
Azerbaijan, in their ongoing efforts to achieve the goals of the Declaration.

In addition to the JMMC members, a number of participating countries in the Declaration were in attendance, including IR Iran, Iraq, Kazakhstan and Mexico.

The meeting coincided with the second and final day of the 7th OPEC International Seminar and preceded the 174th Meeting of the OPEC Conference and the 4th OPEC and non-OPEC Ministerial Meeting.

4th OPEC and non-OPEC Ministerial Meeting
June 23, 2018, Vienna Austria

After reviewing current market developments and the status of the Declaration’s implementation, the Meeting recommended that participating countries adhere to 100 per cent conformity levels in regards to their voluntary production adjustments.

At the meeting, Azerbaijan’s Minister of Energy, Parviz Shahbazov, presented the OPEC Secretariat with a unique painting, portraying the world’s first industrially drilled oil well, which is located in Baku, Azerbaijan.

10th Meeting of the Joint Ministerial Monitoring Committee
September 23, 2018, Algiers, Algeria

In 2018, OPEC Member Algeria continued demonstrating its unique abilities and skills in the field of diplomacy and leadership, when it generously hosted the 10th Meeting of the JMMC in its elegant capital city of Algiers.

The meeting coincided with the second anniversary of the 170th Extraordinary Meeting of the OPEC Conference of 2016, which took place on the margins of the IEF’s 15th Ministerial Meeting and marked the beginning of new chapter in the history of the oil sector.

In his opening remarks, the OPEC Secretary General commended the extensive efforts and distinctive leadership role carried out by Algeria.

“Thanks to these courageous efforts and an unprecedented cooperation that transcended borders, there will be a chapter in the history books of this industry that will have a title such as: ‘The Algiers Accord — the turning point towards a new era of cooperation in the international oil industry’,” he proclaimed.

The Committee also noted an impressive conformity level of 100 per cent by participating countries of the Declaration. Azerbaijan was present at this historic meeting.

12th Meeting of the Joint Ministerial Monitoring Committee
December 5, 2018, Vienna, Austria

One day prior to the 175th Meeting of the OPEC Conference and two days before the 5th OPEC and non-OPEC Ministerial Meeting, the JMMC convened in the Austrian capital of Vienna for key deliberations.

In accordance with its mandate, the Committee carried out its routine, yet critical, duties, including an extensive assessment of the latest global oil market developments and a consideration of the progress being made towards full implementation of the Declaration.

Parviz Shahbazov, Minister of Energy of Azerbaijan, represented his home country at the meeting.

5th OPEC and non-OPEC Ministerial Meeting
December 7, 2018, Vienna, Austria

Following the successful conclusion of the 175th Meeting of the OPEC Conference, the oil and energy ministers from the participating countries of the historic Declaration met for the fifth time in Vienna.

Participating oil producers reiterated their commitments to the unprecedented cooperation and its key goal of returning balance to the global oil market. The Meeting emphasized further that these efforts were being carried out in the interest of, not only crude oil producers, but consumers and investors, as well as the global economy.

In his opening address, the OPEC President, Suhail Mohamed Al Mazrouei, Minister of Energy and Industry of the United Arab Emirates, highlighted participants’ willingness to welcome new oil-producing states to join the global initiative.

“In talking of our cooperation, it is also important to stress that this is a framework for cooperation that remains open to all oil producers,” he said. “Looking ahead, we welcome any new countries to join with us and work responsibly towards a balanced market, and sustaining the ‘hard won’ stability that has been achieved.”

Building on the successes of the previous two historic years, the Ministers recommended extending the cooperation for an additional six months, effective as of January 2019. The meeting also noted the significant role of the JMMC and JTC and their effective, valuable engagement throughout the process.

Azerbaijan was represented at the meeting by its Minister of Energy, Parviz Shahbaz.
Exemplifying its role as a committed member of the ‘Declaration of Cooperation’, Azerbaijan graciously hosted the 13th Meeting of the JMMC in its capital city of Baku, the cradle of the oil industry.

In inaugurating the JMMC’s first meeting of 2019, Committee Co-Chair, Khalid A Al-Falih, delivered opening remarks in which he recognized the constructive and supportive role of the President of Azerbaijan in establishing a solid partnership between OPEC Member Countries and non-OPEC oil producing nations.

“I want to express our appreciation to President Ilham Aliyev for his global statesmanship and visionary leadership in demonstrating over the years the value of cooperation between OPEC and non-OPEC producers,” he said.

Based on its review of the global oil market, the Committee noted an impressive overall conformity rate of 90 per cent by the Declaration’s participants, emphasizing the shared responsibility to restore market stability and eliminate harmful fluctuations.

The meeting also witnessed expansion of the Committee’s membership to include Iraq, Kazakhstan, Nigeria and the United Arab Emirates.

On the sidelines of the meeting, the OPEC Secretary General met with President Aliyev and Energy Minister Shahbazov of Azerbaijan.

Finally, the JMMC announced it would be returning to Jeddah, Saudi Arabia, for its 14th meeting in May 2019.

Full coverage of the 13th Meeting of the JMMC can be found starting on page 4.
Located at the crossroads of Western Asia and Eastern Europe, the Republic of Azerbaijan possesses a distinctive mix of remarkable natural resources, exceptional landscapes, an ambitious population and able leadership. This combination has led the oil-producing country to a level of success and prosperity that it perhaps could not have imagined a decade previous.

The OPEC Bulletin’s Ayman Almusallam profiles the country’s impressive rise to prosperity.

With a population of more than ten million and a land area of 86,600 square kilometres, Azerbaijan is a republic situated in the region of Eurasia. Azerbaijan shares borders with Russia, Georgia, Armenia and IR Iran. To its east lies the Caspian Sea. Its exclave Nakhchivan is bordered by Armenia to the north and east, IR Iran to the south and west, and Turkey to the north-west.


The nation’s flag is horizontal and consists of three different colours: blue, red and green. A white crescent and an eight-sided star can be found in its centre. The colours of the flag have different symbolic meanings, originating from the country’s extensive legacy. The blue represents the Turkic heritage in Azerbaijan, while the red symbolizes progress and the green refers to the Islamic religion.

Throughout its history, Azerbaijan has been an active player on the global stage, addressing various, critical matters of interest and dialoguing with a wide range of stakeholders. This has contributed to the country’s current growth and success.

The country is an active member of many regional and international organizations, including the United Nations, the Organization for the Security and Cooperation in Europe, the World Trade Organization, the International Monetary Fund, the World Bank and the Commonwealth of Independent States.

Azerbaijan, with its plentiful oil reserves, was a leading player in the consultations that led to the historic ‘Deceleration of Cooperation’, and continues to be...
Country name: The Republic of Azerbaijan
President/Prime Minister: Ilham Aliyev
Industry and Energy Minister: Parviz Shahbazov
Capital: Baku
Population (million): 10.02
Currency: Azerbaijan Manat
Official language(s): Azerbaijani
Land area (sq km): 86,600
GDP per capita (US$): 4,778
GDP at market prices (million US$): 188,878
Proven crude oil reserves (million barrels): 7,000 (end of 2017)
Natural gas reserves (bn s cu m): 1,277 (end of 2017)

Did you know?

- Did you know that 11 companies from eight different states signed the famous ‘Contract of the Century’ for the development of the Azeri and Chirag fields and the Gunashli deep-water field?
- Did you know that the Azerbaijani capital, Baku, will host a number of matches for UEFA’s Euro 2020 tournament, as well as the Formula 1 Grand Prix?

Azerbaijan: the cradle of the oil industry

The history of oil in Azerbaijan dates back to the 14th century when Marco Polo described how the locals used crude oil for medicinal purposes. The first oil wells were drilled in 1847 in Bibiheybat, and then later in Balakhany.

At the dawn of the 20th century, Azerbaijan experienced remarkable growth in its crude oil output, marking the beginning of a pivotal chapter in its history. In 1901, the country ranked first in oil production worldwide, as it produced a record-breaking 11.5 million tonnes of oil, followed by the United States, producing 9.1m t.

In 1941, Azerbaijan produced a massive 23.5m t of oil, which accounted for 71.4 per cent of the Soviet Union’s total production.

The State Oil Company of Azerbaijan Republic (SOCAR), headquartered in Baku, is the country’s national oil company (NOC) in charge of exploration, extraction, refining, production, marketing and transportation of crude oil. It also oversees the activities related to natural gas.

In support of the unprecedented, global cooperation in the oil sector, Azerbaijan generously hosted the 13th Meeting of the Joint Ministerial Monitoring Committee (JMMC) in its capital, Baku. The Committee, which was established following the adoption of the Declaration, is mandated to review the global oil market and its recent developments, as well as to assess the performances of participating oil-producing countries.

Azerbaijan: the cradle of the oil industry

The Maiden Tower, also known as Giz Galasi, located in the Old City in Baku, Azerbaijan, was built in the 12th century as part of the walled city. It is a UNESCO World Heritage Site since 2000.
Extending a hand ...

In March 2019, the OPEC Secretary General, Mohammad Sanusi Barkindo, and a delegation from the OPEC Secretariat, headed to the US as part of its international outreach programme. With events held in Washington DC, at the Atlantic Council and the Center for Strategic and International Studies (CSIS), as well as in Houston at CERAWeek 2019, the OPEC Bulletin reports on the dialogue and confidence building with a variety of US and international oil industry stakeholders.

“We have been operating in silos for too long, and this is not good practice in today’s globalized world,” Mohammad Sanusi Barkindo, OPEC Secretary General, told reporters gathered in Houston for CERAWeek 2019, one of the year’s biggest energy conferences.

It was the type of refrain uttered regularly by Barkindo on the OPEC Secretariat’s March 2019 outreach tour to the US. In further comments at CERAWeek, Barkindo stressed that OPEC continues to reach out to stakeholders throughout the energy world because “with more dialogue there will come more understanding” and less “miscommunication.” The emphasis on opening up new channels of dialogue and cooperation has been a distinct focus for the OPEC Secretary General since he assumed the role in August 2016, with further extending it in the US a major motivation.

Under Barkindo’s stewardship, OPEC is increasingly communicating directly with US audiences, including oil majors, US independents, think tanks, the financial community and traders, as well as at various industry conferences, about the role of OPEC in helping achieve a sustainable stability in the oil market and the importance of the relationship between the US and OPEC. He noted at CERAWeek 2019 that “we have gone some way in breaking down barriers through our outreach to the US.”

The positivity of this approach was noted by a number of industry commentators during the Secretary General’s time in the US. When he became OPEC’s Secretary General in 2016, he made an effort to bring in more outside voices and make the group more transparent, said Roger Diwan, Vice President for Financial Services in IHS Markit’s energy practice. “He created a role for himself by being an ambassador,” Diwan said. “He asked, ‘Why are we hiding all the time as if we are doing something wrong?’”

While some obstacles and challenges clearly remain, it is evident that it is paying some dividends with a number of industry CEOs recently praising the Organization’s efforts and outreach.

At the World Economic Forum meeting in Davos in January 2019, John Hess, Chief Executive Officer (CEO) of Hess Corporation, 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.” And at the CERAWeek 2019 event, Bob Dudley, BP’s CEO, underlined that OPEC plays a critical role in stabilizing markets.

What follows is a summary of some of the topics and key messages delivered during the seven days of US outreach in March 2019, as OPEC looked to extend the hand for dialogue.
Atlantic Council

The Secretary General’s first port of call was the Atlantic Council in Washington DC, where he noted that two of OPEC’s founding fathers, Venezuela’s Juan Pablo Pérez Alfonzo and Saudi Arabia’s Abdullah al-Tariki, had initially met in the US. He said this was perhaps symbolic of the crucial, interactive role that OPEC and the oil industry in the US would have over the subsequent six decades.

He said: “OPEC has a vested interest in sustained US economic growth and prosperity. We are friends of the US. Equally, I feel that the US stands to benefit when OPEC prospers. OPEC’s Statute and mission is to help achieve a sustainable stability in the oil market; and this is not stability for stability’s sake: this is because we are cognizant of the diverse range of economic and social benefits that came from sustainable oil market stability.

“When we succeed in our mission, this benefits both US producers and consumers.”

He added that one of the clearest examples of the “interconnected nature of our fortunes was during the last global energy market downturn, what some call the ‘Great bust’ of 2014–16. This downturn was as devastating for OPEC Member Countries as it was for US producers, especially tight oil producers.”

Impact of the ‘Great bust’

The Secretary General referenced the book ‘Saudi America’ by Bethany McClean who vividly described the impact of the bust on the US industry.

“The consequences of the downturn were various: the rig count in the US fell from 1,920 rigs in late-2014 to a low of 480 in early-2016. This is a huge drop of around 75 per cent! By mid-2016, US oil production had declined by a staggering 1 million barrels/day. Two hundred companies would declare bankruptcy in this country as a result of the bust, with huge corresponding negative multiplier effects on the economy.”
He noted that OPEC Member Countries were not insulated. “Revenues fell significantly and national and corporate budgets had to be readjusted. Foregone oil revenues were in the region of $1 trillion!”

And of course, at the global level, investments were choked off, said Barkindo, as nearly $1tr in investments were frozen or discontinued, and according to the consulting firm Graves & Co, the global oil and gas industry shed almost half a million jobs.

Importance of the ‘Declaration of Cooperation’

It is far from hyperbole, the Secretary General said, “when I say emphatically that our industry was resuscitated from its ‘death bed’ by the collective efforts of OPEC and its non-OPEC partners through the ‘Declaration of Cooperation’ process.

“As a result of our voluntary production adjustments, a long absent element of stability was reintroduced to the market. The ‘Declaration of Cooperation’ became an integral and responsible feature of the energy market.”

On the back of this stability generated by the ‘Declaration’, said Barkindo, the US oil industry has been revived. “From the depths of despondency and despair, we now have an industry that is thriving again. Last year, with production booming, the US became the largest oil producer in the world. At the end of last year it was at 11.85 million b/d, and now sits at over 12m b/d.

“If you asked producers in the US shale basins whether they have benefitted from the actions taken through the ‘Declaration of Cooperation’, I am sure the answer would be a resounding ‘yes’.”

He also paid compliments to the US shale revolution in the first part of this past decade, which he stressed helped the world avoid major energy chaos at that time.

It underscored, he said, “the importance of the US and OPEC to the global oil industry and the fact that we both have a strategic stake in global supply and demand levels.”
The following day at the Centre for Strategic and International Studies (CSIS) in Washington DC, the Secretary General also noted that “the ‘Declaration’ has had a transformational impact on the global oil industry. "The change we have seen over the past two years or so is like night and day.” He stressed that these noble efforts have not only received positive comments from producers; we have also heard positive comments from consumers too. To reiterate a key message, he said “sustainable oil market stability benefits us all.”

In looking ahead, he stated that participants will continue to take “a very measured approach … we look at the market outlook, we listen to consumers and other stakeholders, and I assure you that we are focused on the interests of the global economy.”

In terms of current market conditions, he said that “since the beginning of the year the market has been slowly, but steadily moving towards a more balanced state and market sentiment has cautiously improved, but we still believe we need to see inventory levels drop further.

“We also recognize the fact that underlying risks remain, such as ongoing trade negotiations, monetary policy developments, as well as increasingly complex geopolitical challenges.”

The Secretary General told the audience that it all underscored the value we place on being flexible and adaptable to changing market conditions, in the interests of both producers and consumers. Moreover, he said, “our mission is never accomplished; the challenge of balancing the market is a continuous process.”

He also stressed that “we are fully transparent about what we do. We are an open book. A fish bowl. All our publications and data are available online, accessible via digital Apps to the general public free of charge.”

Industry challenges; working together

At CSIS, Barkindo also reiterated the importance of the relationship between OPEC and the US, stressing that
the US is a vital customer and partner for our Member Countries. He stated that “both parties have nothing to lose and everything to gain with this type of dialogue — there is much that binds us together.”

In this regard, he said, particularly given the importance of the oil industry to the US and OPEC, it is vital to talk about some common challenges, with a particular reference to “climate change, and the advancement of climate-related financial disclosures that have potential to significantly impact investment into our industry.”

The Secretary General emphasized that today there is a picture being formed that oil and gas should be viewed as vestiges of the past. “There is a worrying and advancing belief among some policymakers and regulators, investment houses, and many other stakeholders that we are an industry that does not have a future. This misrepresents market realities and is grossly misleading.”

To put it simply, he said, “our industry face a crisis of perception. It is vital we lay out the facts and do not let pressure and hype blur the pathway to a sustainable energy future for all.”

He underscored that it was essential that we are “realistic about how future energy demand growth, which according to our latest World Oil Outlook (WOO) is expected to expand by a robust 33 per cent by 2040, can be achieved in a sustainable way. This needs to balance the needs of people in relation to their social welfare — with energy poverty still a blight on the lives of billions of people — the economy and the environment.

In some quarters, he said, we hear stories that suggest renewables are our only energy future, which is again “clearly misguided”.

Barkindo noted that renewables are coming of age, with wind and solar expanding fast, but even by 2040, they are only estimated to make up around 19 per cent of the global energy mix. He said that some may argue with this percentage, but “it is important to note that we have not seen any reputable outlook suggesting that renewables will come anywhere close to overtaking oil and gas in the coming decades.”

In addition, he added, “many OPEC Member Countries have great sources of solar and wind, and significant investments are being made in these fields, just as they are in the US.”

Sustainable energy future

The Secretary General said that what this means in terms of oil and gas is that there is no doubt that they will remain central to supplying an expanding global population with the critical energy it needs. “In our Outlook, by 2040 oil has an expected share of around 28 per cent in the global energy mix, and gas is at 25 per cent.”

Long-term oil demand is expected to reach nearly 112m b/d in 2040, he said. “We see no peak oil demand for the foreseeable future. The IEA and the EIA share similar conclusions.”

He stated that this is all brought home by the scale of the investment requirements, which across the upstream, midstream and downstream are estimated at around $11 trillion in the period to 2040. He added that this needs to be placed alongside the fact “that exploration and production spending fell by an enormous 27 per cent in both 2015 and 2016, and only increased by eight per cent in both 2017 and 2018.”

Barkindo stressed that “this only adds to the worry
that if our industry is concerned about policies that detrimentally impact oil and investments, with talk of stranded assets and declining values of oil; then we have a potentially dangerous scenario, one that could increase volatility significantly and lead to a future energy shortfall.”

He also emphasized, as often noted by Bob Dudley, BP’s CEO, that this is not a race to renewables alone; it is a race to lower greenhouse gas emissions. “We believe that we need to constantly improve the environmental footprint of all the energies we use.”

For oil and gas, he said “the environmental challenge is not oil and gas themselves. It is the emissions that come from burning them. In OPEC, we are firm believers that solutions can be found in technologies that reduce and ultimately eliminate these emissions.”

In this regard, he highlighted the importance of “coordinated action within the industry, governments and through various research and development platforms, such as the Oil and Gas Climate Initiative. It is vital that we collectively develop and adopt technologies, as well as all-inclusive energy policies, that would address carbon emissions, not crowd out investments in oil.”

In concluding, he recalled the late US President, Ronald Reagan, who said: “The future doesn’t belong to the faint-hearted. It belongs to the brave.”

As an industry, one that is vital to both the US and OPEC, he said, we also need to be brave. “We need to continually break down barriers ... if we are going to change misconceptioned perceptions and make our voices heard. After all, we are all in the same boat.

“We need to ensure that this vital global resource continues to fuel the world, in a secure, reliable, and ever-cleaner manner.”

CERAWeek 2019

The Secretary General then headed to Houston for CERAWeek 2019 from March 11–15, an event organized by IHS Markit. This year was the 38th anniversary of
Dialogue

this influential get together, ranked among the top five ‘corporate leader’ conferences in the world, with a 2019 theme of ‘New world of rivalries: reshaping the energy future’. It was an opportunity for OPEC to once again engage with decision-makers from around the world on the most urgent issues.

The first day of the event saw the OPEC Secretary General, and Dr Fatih Birol, Executive Director of the International Energy Agency (IEA), appear together for a special ‘Global Oil Markets Dialogue’, moderated by Daniel Yergin, Vice Chairman of IHS Markit and conference chair.

Yergin welcomed them both to the conference once again and underscored the keen understanding that the two of them would bring to the dialogue given that they are both at the forefront of global oil market thinking and developments.

Work in progress

When asked about the market rebalancing process, Barkindo reiterated that it remained “a work in progress”. He stressed the importance of continuing to monitor market developments, and for participants in the ‘Declaration of Cooperation’ to be agile and flexible.

He recalled events in 2018, noting that “when we saw conformity levels to the voluntary production adjustments overshoot in the middle of 2018, we were agile and flexible enough to modify course and stay ahead of the curve.” He then talked about some of the fourth quarter headwinds of 2018, and how the partners in the ‘Declaration’ were able to take appropriate action to help counter these.

The Secretary General said eyes remain focused on the OECD inventory five-year average metric, to help achieve a balanced market and help provide a sustainable stability, which is in the interests of both producers and consumers.

Investment perspective

Stability was also the key word when both Barkindo and Birol talked about investments.

Birol noted that the IEA had seen an “uptick” in 2018 and 2019, following significant drops in 2015 and 2016, but the numbers were still “lagging behind past levels.” Moreover, he said, “we see robust demand in the coming years ... but the investment is not there.”

The Secretary General stated that the world will require more oil supplies from all regions in the coming years and there was a need for more long-cycle investments, with a nod to Birol’s comments about the fact that the last couple of years had only seen a relatively small increase in investment levels. “Talking to investors at CERAWeek, this issue continues to be a challenge,” he said.

Further sessions and dinner

The OPEC delegation also participated in three roundtables with various industry stakeholders, organized by IHS Markit: climate and sustainability; US shale; and one with institutional investors. Barkindo highlighted all three in comments to the media, underscoring how important these events were to better understanding some of the challenges facing OPEC and the industry. “It has been very productive, we have had extremely busy sessions and meetings,” the Secretary General said.

The climate and sustainability roundtable was a follow up to the first — and successful — one held at CERAWeek 2018. The event was also attended by Suhail Mohamed Al Mazrouei, the UAE’s Minister of Energy & Industry and Tarek El Molla, Egypt’s Minister of Petroleum and Mineral Resources.

The roundtable with institutional investors, with
Mazrouei present, as well as Dr Maikanti Baru, Group Managing Director of the Nigerian National Petroleum Corporation (NNPC), was the third consecutive one at CERAWeek, and there have also been similar events that have taken place over the last few years in Abu Dhabi and New York.

It was 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. Barkindo stated that “this is in the interests of continuing our outreach in an open and transparent manner, as we look to navigate this complex and multi-faceted topic.”

There was also a roundtable on US shale, with a focus on emerging trends and possible constraints in the basins. This was followed in the evening by a reception and dinner dialogue with CEOs of North American oil and gas independents, with Mazrouei again present. The meeting, following similar dinners at CERAWeek 2017 and 2018, provided an opportunity to informally engage with these key industry stakeholders.

In response to questions about the dinner, Barkindo said: “We initiated a valuable dialogue with the US shale producers two years ago in the midst of the last cycle and we agreed to continue the dialogue because we broke barriers.

“It is just an exchange of information to compare notes, what’s happening in the shale business and other parts of the world. We agreed that we are all in the same boat and the oil industry is the global industry. What is happening in the shale business affects others. It is essential we continue the conversation with US shale industry.”

Research Director

Supporting the Secretary General at CERAWeek was Dr Ayed S Al-Qahtani, Director, OPEC Research Division, who took part in a strategic dialogue session titled, ‘Cars & oil: reshaping demand’. Al-Qahtani was joined on the panel by Marianne Kah, Columbia University Center on Global Energy Policy, Adjunct Senior Research Scholar and Advisory Board Member; B Anand, CEO Nayara Energy; and, Liu ChaoQuan, Vice President, CNPC Economics and...
Dialogue

The session was moderated by Daniel Evans, Vice President, Global Refining and Marketing Research, IHS Markit.

The session looked at the future of light vehicle refined product demand and the future uncertainties related to the impact of electric vehicles, ride-hailing services, driverless technology and government policies.

Al-Qahtani noted that, according to the most recent WOO projections, oil demand in the road transportation sector is forecast to increase by around 4m b/d between 2017 and 2040. He highlighted a number of key issues that will be important for shaping future oil demand.

The included a growing vehicle fleet, especially in developing countries; the increasing penetration of alternative fuel vehicles, better fuel efficiencies, be it through more efficient ICEs or the hybridization of engines; and changing patterns in consumer behaviour.

Open and positive

The Secretary General was effusive about the value of the week-long dialogue that OPEC undertook in the US and the importance of all stakeholders taking part and playing a role. He said that “we remain committed to working with all stakeholders to maintain stability. The maintenance and sustaining of this stability, for both producers and consumers, is not the prerogative of any one stakeholder. It is a shared responsibility.”
In responding to questions about the interest of US President Donald Trump in the global oil market, the Secretary General told reporters at CERAWeek that “we welcome this rising interest in Washington on what’s happening. We welcome the president joining this dialogue.

“He is the number one producer. He has become a major exporter on a global scale, not only of crude oil but also liquids, and because of the importance of this industry in the US, a very strategic segment of his constituency, it is understandable why he is keeping his eyes on what happens globally on this industry.”

He added that “there is much all stakeholders can learn from each other.”
Spotlight

Mohammad Sanusi Barkindo, OPEC Secretary General, delivering his speech at EGYP S 2019 in Cairo, Egypt.
Mohammad Sanusi Barkindo, the Secretary General of OPEC, received warm accolades for his keynote speech at the 3rd Egypt Petroleum Show (EGYPS) 2019, held from February 11–13, in Cairo. He spoke of the long-standing relationship between OPEC and Egypt, beginning with the signing of the Maadi Pact in Cairo 60 years ago, which laid the groundwork for the eventual creation and development of OPEC. The OPEC Bulletin’s Maureen MacNeill reports from Cairo on this international event.

In the three years since its inaugural edition, the Egypt Petroleum Show 2019 (EGYPS) has become what some consider the most important oil and gas exhibition and conference in North Africa and the Mediterranean. This year, it included more than 20,000 oil and gas industry professionals from around the world, as well as 400 regional and international exhibiting companies from more than 20 countries, and over 200 expert speakers.

The magnitude of the event — held under the patronage of Abdel Fattah El Sisi, President of the Arab Republic of Egypt and current President of the African Union — reflects the country’s efforts to modernize its oil and gas industry and promote the country’s position as a regional energy hub.

EGYPS also serves as a platform to attract new investors, in accordance with the country’s oil and gas sector Modernization Project. It thus brings together Egyptian and North African government representatives, project managers, national and international oil companies, international service providers, EPC contractors, consultants and financiers to address the many changing opportunities in Egypt and the region.

A very special relationship

As stated by the OPEC Secretary General in his speech, the impressive event — under the able guidance of Minister of Petroleum and Mineral Resources, Tarek El Molla — has quickly become a highlight of the international energy calendar. In many ways, EGYPS reflects the rise of Egypt as a global player and key regional hub in the oil and gas industry, both in the region and in the world.

EGYPS, said Barkindo, takes place in “the ancient land of pharaohs, the land of the iconic pyramids, the land of Moses Alay Salam, where truly great civilizations took root and some of the first chapters in the epic story of humanity were written.”

“Egypt and OPEC enjoy a very special relationship,” said Barkindo, “and it is a personal joy for me that the current leadership of this nation honours that tradition and has elevated it to new heights.”

The Maadi Pact

The Secretary General also spoke of the signing of the historic Maadi Pact in 1959 on the sidelines of the First
At the time, Barkindo said, the oil industry was dominated by a handful of western oil majors, who controlled all aspects of the supply chain. In fact, resource-rich oil producing countries had no real say in the decisions being made internationally about their natural resources.

“In attendance at the Arab Petroleum Congress were two kindred spirits who felt that the situation needed to be reconsidered,” he said. “Venezuela’s Juan Pablo Pérez Alfonzo was in Cairo to drum-up support for his idea of a production and stabilization arrangement among oil producing countries. Abdullah al-Tariki of Saudi Arabia wanted to form a committee of oil producing countries that could meet periodically to discuss mutual problems and challenges, and develop unified policies,” he said.

“The two men agreed to widen their discussions,” Barkindo continued. Together with representatives from Iran, Kuwait and Iraq, they met at the Yacht Club. There they forged a ‘Gentlemen’s Agreement’, which essentially encouraged the signatories’ governments to establish “a formal consultation commission as a means of countering the arbitrary decisions of oil companies and sought to secure better concession terms for oil producing countries.”

The momentum set in motion by that meeting was unstoppable. It eventually culminated with the founding of OPEC in Baghdad in 1960. Thus, the Secretary General said, one could say that the Cairo meeting was

“In these awe-inspiring surroundings, the founders of our Organization were motivated to show the imagination, ingenuity and creative brilliance to do something extraordinary. OPEC will always remember the debt owed to Egypt for the role it played in facilitating the birth of our Organization.”

— Mohammad Sanusi Barkindo
OPEC Secretary General
the ‘incubator’ for OPEC. “OPEC will always remember the debt owed to Egypt for the role it played in facilitating the birth of our Organization.”

**A participant in the Declaration**

While this was only the second time that the Secretary General of OPEC had attended EGYPS, Egypt and OPEC have worked together on many other fronts in the past, said Barkindo. Egypt has regularly attended and supported OPEC meetings since the 1980s, and it has consistently heeded OPEC’s call for stakeholder involvement in overcoming joint challenges. In fact, the 133rd (Extraordinary) Meeting of the OPEC Conference was also held in Cairo in 2004.

The country has additionally participated in OPEC’s most recent activities — such as the ‘Declaration of Cooperation’, signed between 24 OPEC and non-OPEC countries on December 10, 2016 — which have helped to bring a return to sustainable stability to the oil market.

The Secretary General highlighted this aspect, noting that it has paved the way for further cooperation. “Such has been the success of our cooperation that there is tremendous appetite among participating countries to further institutionalize this relationship,” he said. He added that at the 175th OPEC Conference, and the 5th OPEC and non-OPEC Ministerial Meeting on December 6 and 7, 2018, there was even an initial endorsement of a draft ‘charter’ which would provide a framework for future work.

Given these and other promising developments, the oil market is currently seeing more signs of confidence and optimism, he said, though it still faces many uncertainties in 2019 — including geopolitical tensions, the impact of sanctions and the lingering effects of the recession.

**OPEC’s clear, consistent mission**

The key to OPEC’s success, said Barkindo, lies in its clear, consistent and simple objective over the past 60 years: sustainable oil market stability. “The clarity of our goal has sustained us in good times and bad,” he said. “It is the vision which guided Juan Pablo Perez Alfonso, Mahaman Laouan Gaya, Executive Secretary of APPA, who also spoke at the event. Mohammad Sanusi Barkindo, OPEC Secretary General.
Abdullah al-Tariki, Fuad Rouhani, Tala’at al-Shaibani and Ahmed Sayed Omar nearly 60 years ago. It inspires our Member Countries, countries participating in the ‘Declaration of Cooperation’, our entire staff — indeed, everyone who is a member of the OPEC family.”

Afterwards Barkindo received special thanks in the form of a picture from the Minister of Petroleum and Mineral Resources, Tarek El Molla. “It is 60 years since OPEC has been founded,” said El Molla. “It has contributed to stability in the supply of oil. I am so happy to mark this occasion with Barkindo.”

In terms of Egypt’s future, the Minister spoke of the great promise ahead. He echoed the words of the narrator of the film shown during the opening ceremony, who spoke of the future of Egypt as one of growth and long-term transformation.

**Egyptian developments**

El Molla also spoke of other advances being made that will help give the country and its people an improved quality of life. “There is a 2030 strategy to improve conditions with giant economic projects and lay down infrastructure, which will greatly aid development, as well as to produce reforms in all sectors,” said El Molla.

“Against the backdrop of these reforms and the 2030 strategy, Egypt’s oil sector has been unified behind a common, single vision: to optimally tap into all natural resources and turn Egypt into a regional hub,” he added, noting that this is already happening.

In this, a principal goal is to attract more foreign investment, he said. It is an opportune time, since Egypt has been undergoing an extraordinary energy revolution in the past few years, marked by incredible milestones. “The oil and gas sector this year has had success stories in all areas,” the Minister highlighted, adding that it was “impacting the region and the world.”

Specifically, through four main gas development projects — West Nile Delta, Noros, Atoll and Zohr — the country has been able to transform from a country facing a major energy shortage to one of the biggest gas producers in the region. With a 50 per cent increase in natural gas production over previous years, the country has become self-sufficient.

The country also achieved a record number of household connections to the natural gas system, El Molla said. And last January the country hosted the first regional meeting of natural gas producers.

**European understandings**

A highlight of the year was the signing of a Memorandum of Understanding (MOU) between Egypt and the European Union. Egypt has been very interested in building a gas pipeline to EU countries, said El Molla. So the country is focusing on its regional potential and positioning, he said, and making a strategic roadmap today for future generations.

The year 2017 was also a remarkable one for the Egyptian oil and gas sector, said El Molla, adding that 2018 focused on building on such progress. To that end, 12 new oil and gas exploration agreements were signed last year with a total investment of $275 million.

In addition, Egypt’s first digital data bank was launched, and the country is finalizing the launch of the Egypt Upstream Gateway, which will hold all online data, providing investors with much more data accessibility and transparency.

The refinery sector also saw upgrades valued at $2.35 billion. In addition, terminals, transmission, gas
pipelines and oil infrastructure were expanded, and energy efficiency measures were implemented.

The country has also been focusing on its human talent, stated El Molla. This is a main pillar of the Modernization Project. A new human capital database is now being created of employees’ competencies and skills, thus facilitating appropriate placements throughout the economy and the industry.

**The Prime Minister’s message**

Those in attendance also heard comments from Egypt’s Prime Minister, Mostafa Madbouly. “We welcome partners in development and the new Egypt,” he said in his welcome remarks. In a land with ‘old history’, challenges, strong stories, struggles and victory, Egypt never wavers in its determination, he said. “The Egyptian people win and grow their country.” He also thanked President El Sisi for his “daring decisions on reform and economic growth.

The Prime Minister additionally spoke of the importance of the oil and gas industry to Egypt’s future. “It’s not possible to develop without focusing on the petroleum sector,” he said. “It plays a vital role in development — and development projects necessarily need energy.”

Thus, reinforcing the oil and gas sector is a main component of the government’s long-term production and development plans, said Madbouly. Major developments in large oil and gas fields are expected, and the country plans to establish new refineries and petrochemical plants, and to focus on human resources and cooperation with other oil producing countries.

As he closed, Madbouly once more praised the President’s efforts to put Egypt on track to greater development and growth. “President El Sisi is accepting the African Union Presidency today,” he noted with approval. “We will try to convince the world to push forward joint work in Africa and lead development on the continent — with Egyptian expertise, a confident government and the interaction of the Egyptian oil sector with international experts,” he said.

He noted that in addition to the sharing of know-how and finding international partners, what Egypt and the African continent need is to maximize investment and expand access to technology. “It is the only way to face regional and international challenges,” he said.
Turning back the hands of time:

Recalling the historic Maadi Pact

The histories of OPEC and of the Maadi Sporting & Yacht Club in Cairo are intimately bound together. This fact may have an even greater significance today than it did at the time of the Organization’s founding — particularly as the world now knows that the quiet meeting which took place at the Club 60 years ago planted the seeds that would lead to the development of OPEC. The OPEC Bulletin’s Maureen MacNeill reports from Cairo.
It was with no fanfare and no publicity that the ‘Gentlemen’s Agreement’ — now known as the Maadi Pact — was signed at the Maadi Yacht Club 60 years ago during a very private, undisclosed meeting held on the sidelines of the First Arab Petroleum Congress in April 1959. At that historic meeting, the Organization was merely a glimpse of a possibility of what it was to become.

During a recent visit to Cairo by an OPEC delegation, led by OPEC’s Secretary General, Mohammad Sanusi Barkindo, on February 12, 2019, officials were met by the current Chairman of the Maadi Yacht Club, Alaa Fahmy. Amid handshakes and the OPEC flag, Barkindo and those in attendance reminisced about the importance of the Club in the origins of OPEC.

Revisiting the past

When one visits the Club today, one feels as if it could be yesterday. The soft light in the immaculate wood-paneled rooms and the exquisite, massive bay windows are timeless. The boats bobbing gently on the water outside are much the same. Traditional Egyptian wooden sailing boats — called felucca — drift silently past, as they have for hundreds of years.

Surely the gentlemen who signed the historic agreement — which would change the course of the oil industry forever — felt the same calm descend when they drew their pens across the page. But it is likely that none of those original delegates could have imagined the astonishing global impact that the outcome of that secret meeting would have on the future of the oil industry — and indeed the world.

Two days prior to the OPEC visit in February, the Secretary General had said in a keynote speech at the opening ceremony of the Egypt Petroleum Show 2019 (EGYPS): “I’ve often reflected on the question why Cairo provided such an inspiring setting which would allow this idea to flourish and excel. And I think the answer is best summed up by legendary OPEC veteran reporter, Wanda Jablonski. In her summation of the First Arab Petroleum Congress, she said, ‘if it wasn’t for the romantic Nile setting and the Arabic language, this could have just been another routine session.’”
“In these awe-inspiring surroundings,” continued the Secretary General, “the founders of our Organization were motivated to show the imagination, ingenuity and creative brilliance to do something extraordinary. OPEC will always remember the debt owed to Egypt for the role it played in facilitating the birth of our Organization.”

The Congress and its delegates

The Maadi Pact emerged from the private, unofficial meeting held at the Club among some of the participants attending the First Arab Petroleum Congress in April 1959. The meeting was attended by representatives from Iran, Kuwait, Saudi Arabia, the United Arab Republic (a creation of Egypt and Syria’s temporary union) and Venezuela, writes Francisco Parra in his book *Oil politics: a modern history of petroleum*. They were also joined by the Iraqi head of the Arab League’s Petroleum Committee.

Parra notes: “It is worth taking some time to examine the [Maadi] Pact, because it was the first joint formulation of producer country aspirations and it also conveys the flavour of the times, far removed from today.”

At that First Arab Petroleum Congress in 1959, which was held in the Engineers Society Building in Cairo, two kindred spirits had joined together: Venezuela’s Juan Pablo Pérez Alfonzo and Saudi Arabia’s Abdullah al-Tariki. One tried to find support for a production and stabilization agreement among oil producing countries, while the other looked for a way to form a committee of oil producing countries which could meet periodically, discuss joint challenges and develop unified policies.

The two gentlemen widened their circle of discussion, eventually joining in a secret meeting with representatives from Iran, Iraq and Kuwait at the Maadi Yacht Club. It was there that the ‘Gentlemen’s Agreement’ was created.

Effectively, as OPEC Secretary General recounted in his speech at EGYPS, the agreement “encouraged the signatories’ governments to establish a formal consultation commission as a means of countering the arbitrary decisions of oil companies and sought to secure better concession terms for oil producing countries.”

An unexpected outcome

The substance of the agreement, according to Parra, was little more than the drafting of a modest wish list, which did not commit anybody to anything. It merely stated that the share of tax revenues of petroleum producing countries should be increased; that the current (posted) price structure should be mentioned and that no changes should be made by the companies without prior consultation with the host governments; that refining capacity in producing countries should be increased; that national oil companies should be established; and that each country should establish units to coordinate the production and conservation of hydrocarbons.

“The only obligation mentioned in the pact,” writes Parra, “was that the signatories should bring to the attention of their governments the idea of establishing a joint consultative petroleum commission that would meet once a year to discuss common problems.”

However, it had no real legal standing. Of the six signatories, only two — Pérez Alfonzo and al-Tariki — represented their governments. Furthermore, it is not even clear that al-Tariki would have received prior authority to sign.

“In any event, to forestall the misgivings of some of the signatories,” continues Parra, “a clause was inserted into the pact to the effect that all of the signatories were signing only in their ‘personal capacities’. In legal terms, this was virtually meaningless; in political terms, however, it was the thin end of the wedge, intended to pave the way through influential intermediaries to formal consultations among the governments on petroleum policy matters.”

A critical time for change

It is important to note the nature of the oil industry at the time, in 1959. The agreement pre-dated the UN General Assembly adoption on December 14, 1962, of Resolution 1803 on ‘Permanent Sovereignty over Natural Resources’. At that time, a handful of western oil majors — known as the ‘seven sisters’ — controlled every aspect of the supply chain, and host countries were mainly shut out and had less than a modicum of participation in decisions which profoundly affected them.

Parra writes that according to studies conducted in 1958, the governments of the United Kingdom and the United States, as well as the major oil companies, did not deem it likely that anything would come of the agreement. “It is not clear at this point whether the companies were aware of the contents of the [Maadi] Pact. If so, they did not take it seriously.”

“Whatever its status, the [Maadi] Pact, and the subsequent contacts between Pérez Alfonzo, al-Tariki
and Salman, had worked brilliantly,” continues Parra. “The companies and their home governments were given no time to subvert the Baghdad meeting” — and, a year or so later, OPEC was born.

The historic founding of OPEC took place in Baghdad on September 14, 1960, with the attendance of the five founding fathers of the Organization: al-Tariki; Perez Alfonzo; Fuad Rouhani of Iran; Dr Tala’at al-Shalbani of Iraq; and Ahmed Sayed Omar of Kuwait. The calm, quiet meeting at the Maadi Yacht Club had led to a fundamental shift in thinking and direction by producing countries, creating a snowballing momentum — gave birth to OPEC.

**Egypt and OPEC**

The rest, as they say, is history. However, those modest beginnings have also led to a life-long relationship between Egypt and OPEC, which continues to blossom today.

Over the years, Egypt has continued to support OPEC by regularly attending meetings since the 1980s. It has also joined in calls to work together to overcome common challenges. Additionally, the country hosted the 133rd (Extraordinary) Meeting of the OPEC Conference in December 2004.

In its most recent display of faithful friendship, Egypt’s Minister of Petroleum and Mineral Resources, Tarek El Molla, actively participated in OPEC’s recent joint efforts with non-OPEC producers to turn over a new page in the history of the industry.

Meanwhile, the Maadi Yacht Club is carrying on with celebrations of its own. Fahmy and his colleagues have gone to great lengths to commemorate the historic meeting at the Club. Along with the OPEC delegation, they organized a ceremonial yacht ride along the Nile, with a special dinner and honorary, lifetime membership for the Secretary General at the Club.

The Club has also created special posters to mark the occasion, and additional celebrations are planned for April — on the actual anniversary date of the signing of the ‘Gentleman’s Agreement’.

**Remembering our origins**

There is a saying that goes: “No matter where life takes you, don’t forget where you came from.” Egypt and OPEC’s friendship has been forged over the decades through significant, history-changing moments. Their friendship is guided by trust, common goals and ever-deepening bonds, which are sure to flourish in the future.

As the Secretary General wrote in the Club’s ‘Guest Book’ at the conclusion of his visit on February 12: “We wish to register our deep gratitude to the able and visionary leadership of President Abdel Fatah al-Sisi for continuing to facilitate and elevate the fraternal relation between his great country and OPEC.”

He then added: “We wish to also congratulate the leadership of the Yacht Club, in particular Alaa Al Fahmy, for sustaining the excellent tradition of the club in fostering long-lasting relationships — across nations, cultures and peoples. As an honorary member of the Club, I pledge to continue to promote these excellent credentials of the Club.”

---

Mohammed Sanusi Barkindo (r), OPEC Secretary General; with the Chairman of the Maadi Yacht Club, Alaa Fahmy; at the Maadi Yacht Club.
OPEC and Egypt: A bond of strength and duration

In an exclusive interview with the OPEC Bulletin, Egyptian Minister of Petroleum and Mineral Resources, Eng Tarek El Molla, discusses the country’s historical bond to OPEC, its recent successes in the oil and gas industry, its strategy to attract investment, as well as its exciting plans for the future.

OPEC and Egypt have a deep and rich history together, including the ‘Gentlemen’s Agreement’ signed 60 years ago here in Cairo, which indeed sowed the seeds of the creation of OPEC. Please reflect on this bond and what it means to your country. How do you see this going forward in the future?

The strong bond between Egypt and OPEC has strengthened Egypt’s role in bolstering the Organization’s efforts to increase joint cooperation between OPEC and non-OPEC producing countries, in order to maintain stability and a balanced global oil market, to the benefit of producers and consumers alike. OPEC has been keen to invite Egypt to participate in its meetings as an observer since the beginning of this century, due to the vital role the country has played in international oil relations over a long period and its support of the ongoing global dialogue between oil producers and consumers, as well as regional and international events in oil and energy.

Undoubtedly, Egypt’s participation in OPEC’s meetings in Vienna in late 2017 played a great role in bringing the views of OPEC and non-OPEC oil producing countries closer together, and contributed positively to reaching a new decision, bolstering the historic cooperation agreement signed at the end of 2016 as part of efforts to restore stability to oil markets and address price balance.

Actually, Egypt is proud of its historic role in the establishment of OPEC 60 years ago, when it hosted the World Petroleum Council meeting in April 1959 and the meeting of the founding countries of the Organization in Cairo. This meeting resulted in the agreement which sowed the seeds for the establishment of the Organization. We also believe that deepening and strengthening relations with major oil producing countries has utmost significance in boosting Egypt’s persistent efforts to become a regional energy trading hub.

OPEC has always had a very clear goal — sustainable oil stability. To this end, the ‘Declaration of Cooperation’ represents a historic, new chapter in this very dynamic and complex industry. What are your reflections on this evolving process?

Nowadays, OPEC continues to thrive, more than at any other stage in its 60-year history. In fact, OPEC is in its
essence. It has a clear and specific goal that serves both producers and consumers. It doesn’t only seek stability, but also broader social and economic benefits for all. Egypt backs OPEC’s efforts to maintain a balanced global oil market that benefits producers by attracting more investment for the petroleum industry, while ensuring an affordable, fair price for consumers. In fact, we all share the responsibility to ensure stability in the market, including the bigger challenge of keeping prices within an appropriate range. Hence, the unprecedented international solidarity between OPEC and non-OPEC countries to achieve world oil market balance, announced in December 2016, represents a milestone that has changed the whole energy scene and gradually moved the global oil market towards stability and sustainability. We all share in the benefits of a stable market, which OPEC is currently working on.

Your country has significant oil reserves — the sixth largest in Africa. How focused are you in terms of exploration? What areas are you concentrating on — onshore vs offshore?

Egypt enjoys promising oil and gas potential, which it is exploring and developing. It is planning to announce three international bid rounds for oil and gas exploration this year. The first was offered for the Red Sea, a new untapped frontier, by the South Valley Egyptian Petroleum Holding Company (Ganope) in early March. In the coming months, we are planning to offer another bid for gas exploration in the West Mediterranean, along with a third bid round for oil exploration in the Gulf of Suez and the Eastern Desert by EGPC. In turn, this will increase the number of signed agreements with international oil companies.

Egypt targets to increase its current oil production from 660,000 barrels per day (b/d) to around 700,000 b/d of crude oil and condensate during the fiscal year 2019/2020, through increasing production in new exploration areas in the Western Desert and the Gulf of Suez, as well as by intensifying field development.

The Western Desert is considered Egypt’s largest crude oil production area, responsible for about 60 per cent of the country’s production. It is an attractive area for investment, especially in light of new untapped crude oil potential in deep layers, as well as low production costs and the availability of infrastructure and production facilities.

Currently, we seek to reach new crude oil reservoirs in the Gulf of Suez through seismic surveys. This is regarded as one of the oldest oil producing areas in Egypt.

The EGPC and EGAS bid round results announced in February 2019 revealed the entrance of large international oil and gas exploration company Exxon Mobil. After winning a block in the Mediterranean, it returned — along with Shell — to reengage in bid rounds and won five blocks, not to mention that BP, Eni, Petronas, Dea and Neptune Energy were awarded as well. Twelve new agreements will be inked in the coming period as a result of these two bid rounds, asserting the Ministry’s strategy to enhance oil and gas upstream activities.

The oil and gas industry has made great leaps in Egypt in recent years, particularly since the visionary leadership of your government. When do you think you will be able to become a major oil exporter? What will this mean for your country?

We succeeded in achieving natural gas self-sufficiency in September 2018, following a local production increase, after putting four major fields — Zohr, North Alexandria, Nooros and Atoll — on stream. This was accomplished via a work programme carried out by the Ministry of Petroleum designed to increase Egypt’s oil and gas resources through intensifying local production and offering new international bid rounds to attract IOC investment, along with concluding new petroleum exploration agreements, which are considered to be the cornerstone of raising production and reserves, realizing discoveries, as well as encouraging IOCs to increase their investment portfolios in Egypt.

We halted LNG imports last September for the first time in more than three years and became self-sufficient in natural gas. Our target is to increase natural gas production to have a surplus that can fulfill our old
exporting commitments either to Jordan or for liquefaction plants in Idku and Damietta. We also aim to operate and develop 11 oil and gas projects during the fiscal year 2019/2020 in deepwater regions of the Mediterranean, Delta, Gulf of Suez and the Western Desert, targeting the addition of 2.5 billion cubic feet of gas and more than 32,000 barrels of crude oil and condensate, which will contribute to increasing total current production and offset the natural decreases in wells.

As mentioned before, we are working to increase current oil production from 660,000 b/d to around 700,000 b/d of crude oil and condensate daily, in light of the Ministry’s vision to meet local market requirements and decrease imports, along with meeting the needs of development projects being carried out by the government to raise the standard of living in the country and manage the incremental increase in population growth. Egypt has a vision and a mission to be a regional energy hub, which would benefit the country and its national economy.

In terms of investment, there has been a major leap in foreign direct investment into the country, in particular from major IOCs. Can you please share the medium-term prospects in the upstream investment profile in both oil and gas? What does this mean for your overall energy strategy for the country, in terms of your domestic energy mix and vertical integration in your industry?

We have an entire programme to attract investment, allocated within the project to develop and modernize the petroleum sector. This takes place through several axes, the most important of which is the implementation of seismic survey projects in the Red Sea, Gulf of Suez and West Mediterranean, which reveal new opportunities for production and reserve increases, thus attracting increased investment to these areas by IOCs, especially those which have never operated in Egypt before, such as the giant Exxon Mobil, which recently won a concession block in the Mediterranean. Here, I would like to mention the results of a regional seismic survey project in the Red Sea, after the maritime border demarcation with Saudi Arabia took place. This represents the cornerstone of a new era for exploration in the region for the first time.

As a result, we offered the first international bid round for exploration in the Red Sea in early March, in order to attract international exploration companies and achieve new discoveries. Furthermore, the terms of some petroleum agreements are being reviewed to become more attractive, in light of exploration challenges in virgin areas of the West Mediterranean and the Red Sea.

Moreover, the establishment of Egypt’s e-portal for exploration and production to promote investment opportunities made it necessary to start the project, similar to what has been applied globally in major oil-producing countries, in order to maintain all technical data from exploration, development and production in order to maximize its value, as well as global development and promotion.

Concerning foreign direct investment, investment by IOCs in oil and gas exploration and development in discovered fields for the financial year 2019/2020 is planned to exceed $10 billion. This number reflects the growth of petroleum activities and carried-out projects, along with being a strong indication of the Ministry’s successful strategy to attract more investors and encourage international companies operating in Egypt to pump more into investment.

In addition, mega energy projects implemented by the State in the energy domain positively reflect on providing its energy requirements, via increasing and diversifying energy resources from fossil fuels, renewables and the formation of a local balanced energy mix, which serves expansion and development plans in all State sectors, including industry and electricity, along with maximizing energy resources produced locally, as well as supporting natural gas self-sufficiency.

What are your priorities in the downstream and petrochemical sectors beyond covering fast-growing domestic needs and including economic diversification?

Currently, we are working on implementing an ambitious
programme to upgrade and enhance efficiency in Egyptian refineries, as well as that of existing petrochemical projects. The programme includes working towards establishing new projects and revamping existing ones. This will achieve vital objectives for Egypt, including ensuring supply and fulfilling increasing local demand for petroleum and petrochemical products. In addition, these projects will provide high-quality petroleum products and reduce imports, which will relieve the pressure on foreign currency and enhance the balance of payments.

The programme includes six new petrochemical projects and the development of existing refineries in Cairo, Suez, Alexandria and Assiut, with investment of about $9bn, in addition to implementing four petrochemical projects, with investment of about $1.5bn. Furthermore, we are planning to establish a massive petrochemical and refinery complex in the New Alamin area, with investment of about $8.5bn. The private sector has made a very positive contribution in this regard. Additionally, the Egyptian Refining Co project in Mostorod is planned, with investment of about $4.3bn; this is about to be completed and the operation phase to begin. The private sector will also establish a large petrochemical and refining complex in the Suez Canal Economic Zone at Ain El-Sokhna. We are looking forward to more participation from the private sector to invest in new refining and petrochemical projects in the coming period.

As for developments in distribution and transfer, we are currently working on several axes, including infrastructure expansion. This would be comprised of gas and petroleum product pipeline extensions throughout the country, as well as the establishment of storage and trading facilities for various petroleum products. We are currently implementing two major projects in the Sokhna region of the Red Sea, in addition to working on developing and enhancing fuel distribution services, whether by establishing new fuel stations or by providing different high-quality fuel products, such as natural gas for cars. In this domain, the State is adopting a strategy to provide incentives for people to use CNG as a fuel in vehicles, or by offering new types of fuels like the new 95 octane gasoline, which contributes to reducing consumption and suits the engines of modern vehicles. We are also working on liberating the gas market, enabling the private sector to participate in the market through the creation of a competitive climate, issuing a law to regulate gas market activities and establishing an independent entity for this purpose.

What picture do you have of Egypt's future energy diversity and adjustment to the 'energy transition', such as in renewables, using your rich natural resources?

With regard to Egypt's 2035 energy strategy, renewable energy is targeted to reach 42 per cent of total energy production in 2035.

The Ministry of Petroleum is implementing an integrated programme for lighting administrative buildings via solar energy, within the consumption rationalization programme, and coordinating a reduction in production costs.

In addition, we are implementing initiatives for improving energy efficiency. Procedures for rationalizing and improving energy efficiency in the Petroleum Sector are supported by the European Bank for Reconstruction and Development, together with the European Union for Studies. This will support the Petroleum Sector's commitment to implement projects according to international standards.
Celebrating 40 years since the creation of the Islamic Republic of Iran
The Islamic Republic of Iran (IR Iran) celebrated the 40th anniversary of the Islamic Revolution on February 12.

Kasra Nouri, General Manager of PR at the Ministry of Petroleum in Tehran, takes stock of the country’s petroleum industry at the time of this important historical landmark.

This year's commemoration of the 40th anniversary of the Islamic Revolution's victory, observed on February 12, 2019, was an appropriate occasion to recognize the importance of the petroleum industry both then and now as an important driver of the national economy. Over the years, the industry has managed to overcome headwinds and clear hurdles arising from foreign pressure by relying on the creativity of its personnel and the rising industrial capability of the country.

The petroleum industry in the country played a decisive role in the victory of the Islamic Revolution four decades ago, and continues to play an essential role today.

Many international oil companies left IR Iran following the uprising. In those days, some were of the view that in the absence of foreign companies, Iranian experts would not be able to manage the industry's affairs — but this belief was proven wrong. In a short time, Iranian engineers and experts managed to resume normal operations in the industry. Even during the eight-year conflict (September 22, 1980–August 20, 1988), IR Iran's oil exports did not halt for even one single day.

After overcoming some difficult times, IR Iran is today self-reliant in the upstream and downstream sectors of its oil industry and has made great strides on many fronts, some of which are highlighted below.

**Drilling industry independence**

The National Iranian Drilling Company (NIDC) was established on December 22, 1979, under instruction of Ayatollah Khomeini. It is noteworthy that prior to the formation of NIDC, around 40 foreign companies handled drilling operations in IR Iran, and Iranian engineers and experts worked under their supervision. Immediately after the victory of the Islamic Revolution, Iranian experts were able to operate the six existing drilling rigs. During its 40 years of existence, the drilling industry has managed to fully handle the task assigned to it and fulfill objectives, thanks to a talented local workforce. Currently, it is regarded as one of the most successful industries in the country. In 2017, the number
of onshore and offshore rigs amounted to 157; IR Iran accounts for 21 per cent of total rigs among OPEC Member Countries (MCs).

**Exploration sector**

Oil and gas exploration in IR Iran has a history of over 100 years. In the first 60 years of its existence, foreign companies played a major role, but in the last 40 years, the country’s oil industry has seen valuable achievements through placing trust in local experts’ capabilities and utilizing modern exploration methods. Chief among these achievements were the oil and gas discoveries in the Azadegan, South Pars, Tabnak, Zireh and Homa fields in 1999. In terms of oil exploration, IR Iran ranked first in the world. In light of the aforesaid discoveries, and in spite of continuous utilization of the country’s oil reserves over the last 40 years, the total volume of recoverable oil and liquid hydrocarbon reserves has risen from 88 billion barrels in 1979 to 160bn b today. The total volume of proven natural gas reserves is 33 trillion cubic metres currently, while in 1979 it stood at 9tr cu m.

**Oil refining industry**

In the post-Revolution period, IR Iran’s oil refining industry grew rapidly, so that in addition to implementing new refining projects and enhancing the capacity of existing refineries, the production of five core products (LPG, gasoline, kerosene, gasoil and fuel oil) more than doubled.

The history of the refining industry dates back to over one century ago, when the Abadan Refinery
came on-stream in 1912. Immediately after the Islamic Revolution, IR Iran’s total refining capacity was at 1.2m b/d, while, in 2018, it reached almost 2.2m b/d.

In recent years, and given the country’s need to supply high-quality and less-polluting gasoline, significant investments have been made into gasoline production capacity in the country’s existing refineries. Some structural changes have been applied, aimed at producing Euro-4 standard gasoline, which has been a turning point in the history of IR Iran’s refining industry.

In 1979, IR Iran’s gasoline production was at 14m l/d, while today it is 105m l/d. The Persian Gulf Star Oil Refinery, which has played the most important role in gasoline self-sufficiency, is ready to start the operation of its third development phase and is to produce 36m l/d of gasoline.

Gas development: contributing to people’s welfare

The National Iranian Gas Company (NIGC), one of the four main subsidiaries of IR Iran’s Petroleum Ministry, was set up in mid-1965, and is now considered one of the top ten companies in the Middle East. In 1988, the gas industry in IR Iran, which has a history of more than 50 years, reached unprecedented records, including supplying gas to 2,800 villages in one year. Prior to the 1979 Revolution, the total length of the high pressure gas transmission pipelines in IR Iran was 2,900 km, while it has grown today to over 38,000 km.

Given the eight-year conflict, and political and economic pressure caused particularly by the imposition of sanctions on IR Iran, it is impressive that the share of
natural gas in the country’s energy mix has reached 75 per cent. According to the latest statistics, 92 per cent of cities and 77 per cent of villages in the country are linked to the Iran Gas Trunk-line (IGAT), while prior to the 1979 Islamic Revolution, only eight cities and one village had access to natural gas. In 2018, natural gas also accounted for 90 per cent of the feedstock in power plants.

Natural gas has replaced liquid fuels as a clean fuel of choice, and has led to an improvement in public welfare, while contributing to a reduction in pollution levels around the country. Additionally, the replacement has proven to be an effective measure in fulfilling global goals to combat climate change.

As far as international energy cooperation is concerned, IR Iran is a founding member of OPEC and the Gas Exporting Countries Forum (GECF), and has always played a significant role in international energy security. Parallel to expanding natural gas penetration in the country, in May 2000, IR Iran invited major gas producing and exporting countries’ ministers to attend a meeting hosted in Tehran to pave the ground for an exchange of views on gas affairs through the establishment of the GECF.

Petrochemical industry
IR Iran’s petrochemical industry dates back to the early 1960s, when the National Petrochemical Company (NPC), founded in 1964 as a young subsidiary within the Petroleum Ministry, began its activities by operating a small fertilizer plant in Shiraz. In those days, another
A petrochemical plant known as the Iran-Japan petrochemical plant (today known as Bandar Imam) also had limited activity in IR Iran.

Between 1989 and 1999, five petrochemical complexes — Isfahan, Arak, Khorasan, Urmia and Tabriz — were constructed, and the Bandar Imam petrochemical complex was developed. From 2006 to 2011, the number of petrochemical facilities rose to 39 in the post-revolution era from only six in 1978, raising output to 15.8 million tonnes in 2005 and to over 40m t in 2010.

Today, in light of these achievements and through greater reliance on domestic expertise and know-how, the final production capacity for petrochemicals stands at 30m t, and is worth $20 billion. In 2019, the value of the petrochemicals produced in IR Iran is expected to reach $18bn, which shows significant growth compared with levels seen in 1979.

As a result of 40 years of effort by the Petroleum Ministry, production capacity for petrochemicals this year is expected to grow by 12m t to reach 42m t.

In conclusion, in commemorating the 40th anniversary of the victory of the Islamic Revolution, the Iranian people have shown an amazing resilience and ability to overcome difficulty, while compensating for shortages in all sectors, including the petroleum sector, through the reliance on home-grown capacities. By turning to its efficient and skilled workforce, IR Iran’s petroleum industry is poised to achieve even more ambitious developments in its oil and gas industry and support the socio-economic development of the country.
The ninth edition of the IEA-IEF-OPEC Symposium on Energy Outlooks took place at the International Energy Forum’s (IEF) headquarters in Riyadh, Saudi Arabia, on February 27, 2019. A wide variety of energy leaders attended, including energy ministers and international industry experts from OPEC and the International Energy Agency (IEA) to exchange views on energy outlooks, historical baselines and compare energy dialogues with the ultimate aim of reinforcing the producer-consumer dialogue, thereby enhancing market transparency and energy security. The OPEC Bulletin reports.
Dr Sun Xiansheng, Secretary General of the IEF, opened the proceedings by welcoming attendees, including many energy ministers, noting: “Your presence at this ninth session of the IEA-IEF-OPEC Symposium on Energy Outlooks shows the importance of dialogue on global energy security and rapidly unfolding transformations to secure, safe and sustainable energy futures.” Dr Sun stated: “Over the years the Joint Symposium on Energy Outlooks has gone from strength to strength. Comparing outlooks is now easier. Dialogue on varied producer and consumer perspectives is better informed, more collegial and interactive as a consequence.”

He added that the three key issues of concern today are security of energy supply and energy market volatility; the pace of change and the energy transition; and new challenges to energy investment. Dr Sun concluded his remarks by stressing: “We have travelled a long way since Ministers agreed on the Trilateral Programme of Work with the IEA and OPEC at the 12th IEF Ministerial in Cancun in 2010. The 15th and 16th IEF Ministerials hosted by Algeria and in India in 2015 and just in April last year, respectively, encouraged us to expand on this model.”

Changing forecasts of oil supply and demand

Khalid A Al-Falih, Saudi Arabia’s Minister of Energy, Industry and Mineral Resources, was also in attendance and delivered opening remarks. With regard to the energy transition, he said, “there is a significant difference of opinion about how the wider global energy transition will unfold in terms of its pace, scope, deployment difficulties and difference across various regions of the world, especially the stark difference between rich nations and developing countries.

“But the technical hurdles are enormous, and affordability is a serious challenge. The future path could be tortuous with many false starts; the current and new sources will run in parallel for the foreseeable future; and an orderly transition demands that we be cautious and avoid hasty decisions, including prematurely discontinuing investments in oil and gas. This likely and more realistic scenario falls somewhere between the peak supply scenario, which also included high oil demand forecasts and the other extreme of demand peaking soon.”

Al-Falih continued by saying, “I also want to stress that in a future where oil and gas will continue to be the dominant energy sources, their carbon footprint must be lightened. Our industry is committed to this goal, which I have been emphasizing since well before the Paris Accord was signed. Technology will play an important role in this endeavor, and our industry has demonstrated its prowess in innovation.”

Ensuring adequate supplies

Al-Falih stressed the importance of investments for the future of the industry, saying, “to develop adequate oil and gas supplies to meet the demand growth I foresee, we need to remember that these are highly capital intensive businesses, and capital is needed both to develop new capacity and to maintain and grow the infrastructure essential for system reliability. Yet such substantial investments will not come without predictability, a sufficiently healthy oil market, and adequate cash flows. Regrettably, the energy policies of many consuming nations set unrealistic schedules for the deployment of alternative energy sources and enact measures that undermine oil and gas development. We find increasing pressure — including governmental, financial and media factors — to prematurely cut
investment in conventional energy. In such an environment, the trillions of dollars needed to grow vital conventional energy supplies, and to undertake the R&D needed to clean this energy, are unlikely to be forthcoming."

Al Falih went on to discuss the issue of unintended consequences of certain policies.

"Unfortunately, even the most well-meaning policies can have unintended consequences, and I would like to highlight two key possible pitfalls," he commented. "First, a lack of adequate supply overtime will give rise to energy security and energy poverty challenges. Experience tells us that energy poverty and economic poverty almost always go hand in hand. Second, raising taxes on oil and gas in order to curb their growth, ostensibly to protect the environment and move the world toward alternatives, will make conventional fuels less affordable. Alongside sustainability, energy affordability assumes even greater importance during times of economic hardship, stagnating incomes and rising unemployment — a situation many parts of the world are facing — and which can be particularly devastating for people in less developed nations."

**OPEC’s perspective**

OPEC Secretary General, Mohammad Sanusi Barkindo, then delivered his opening remarks. He stated, “Energy outlooks are an essential component of our Organizations’ work. Comprehensive, accurate and fact-based analysis is crucial in supporting policy-makers in taking informed decisions, especially in current circumstances. Unfortunately, the oil market can often be subjected to forces which are not grounded in fact, especially at times of disconnect between prices and market fundamentals. Sentiment, speculation and even rumors have been known to drive the market. The situation can be further complicated by computerized or automated trading, with algorithms, Big Data and artificial intelligence playing important roles. Energy outlooks are an antidote for this post-factual age. Indeed, our common currency, as it were, is fact-based data."

The Secretary General continued, saying, “Our industry is currently under siege from multiple fronts. Yet, some of these comments have tended to mischaracterize our objectives and misrepresent market realities. A classic example of this is the persistent notion that oil is on the verge of demise. According to this belief, renewables are about to completely replace hydrocarbons and those who seek to discuss the nuances of this idea are downplaying the climate challenge."

“At OPEC, we are acutely conscious of the challenge of climate change. Our Member Countries continue to take appropriate policies, implement programmes and projects to tackle the challenges of climate change. At the most recent UN Climate Change Conference COP24 in Katowice, OPEC reiterated that it remains fully engaged and supportive of the Paris Agreement. Indeed, some of our Member Countries heavily invest in alternative sources of energy. For example, Saudi Arabia plans to generate some 59 gigawatts (GW) of electricity from solar and wind by 2030, and eventually produce upward of 200 GW from renewable sources."

**Dialogue through reason**

The Secretary General reflected on the etymology of the word dialogue, which underscores its continued relevance today. The Secretary General stated, “Given how our industry can be mischaracterized, the need for dialogue is all the greater. Consider the Ancient Greek roots of the word: ‘dia’ meaning through and ‘logos’ meaning reason or speech. Dialogue: through reason. And reasoned discussion, based on factual analysis, is crucial in this age of ‘alternative facts.’ Dialogue fosters transparency, which is another priority for our Organization. OPEC truly is an ‘open book.’”

“All our publications and data are available online, accessible via digital Apps to the general public free of charge. Dialogue and transparency are indispensable to the multilateral system. OPEC will always align with the values at the heart of the multilateral system and affirms absolute conformity between its activities and principles, and the ideals of the UN. We are an intergovernmental organization which has been registered at the UN Secretariat since November 6, 1962.”
The Secretary General emphasized how these values were at the heart of the ‘Declaration of Cooperation’ process. “These noble principles manifest themselves in the historic new chapter heralded in the oil industry through the ‘Declaration of Cooperation’ process,” he said. “A win-win situation has developed and made a substantial contribution to the synchronous global economic growth seen in 2017–18.”

Opening remarks were also delivered by Keisuke Sadamori, Director, Energy Markets and Security, IEA; Shaikh Mohamed bin Khalifa Al Khalifa, Minister of Oil, Bahrain; and Manuel Quevedo, People’s Minister of Petroleum, Venezuela, President of the OPEC Conference.

Session I: Key findings from the comparative analysis on energy outlooks, and presentation of the latest IEA and OPEC projections
This session involved contributions from Dr Ayed Al Qahtani, Director, Research Division, OPEC; Ali Al Safar, Energy Programme Director, Middle East and North Africa, IEA; Tae-Yoon Kim, Energy Analyst, World Energy Outlook, IEA; and Christof van Agt, Senior Energy Analyst, IEF. The session focused on the fact that energy outlooks suggest alternative energy futures depending on the assumptions and methodologies used to estimate the course of demand and supply, among other factors. The objective of this session was to compare the outlooks prepared by the IEA and OPEC, and to exchange points of view on their determinants and wider implications.

Session II: Key stakeholder and industry views on short-, medium-, and long-term energy outlooks
Moderated by Adam Seiminski, President, KAPSARC, this session saw presentations from Yan Jiang, Chairman, Shanghai Futures Exchange; William Zimmern, Head of Global Macroeconomics, BP; Ken Koyama, Managing Director, Chief Economist, Strategy and Research Unit, IIEJ; and Jason Bordoff, Professor of Professional Practice in International and Public Affairs, Founding Director, Center on Global Energy Policy, Columbia University. A keynote address was delivered by Yury Sentyurin, Secretary General, GECF. This session extended the exercise of session I by focusing on other stakeholder projections for energy supply and demand. The objective was to exchange views, compare and contrast perspectives prepared by other international organizations, government agencies and leading energy companies. Questions asked included: “What are the key drivers of energy outlooks? How do they complement the understanding obtained from institutional energy outlooks?”

Session III: Investment and challenges in the petrochemical and refining sectors
This was moderated by Dr Adnan Shihab-Eldin, Director General, KFAS, with a keynote address by Ian Mead, Deputy Administrator, EIA. The panelists were Francois Good, Senior Vice President, Refining and Petrochemicals, Orient, Middle East, Africa and Asia, Total; John Stewart, Principal Research Analyst, Middle East Refining, Wood Mackenzie; and Lining Wang, Deputy Director, Oil Market Research, CNPC ETRI. As the petrochemical and refining sector must accommodate new oil and gas flows and growing supply-demand imbalances and product requirements across OECD and non-OEC regions, this panel discussed the outlook for investment in the petrochemical and refining sector against the background of shifts in feedstock supply, product demand growth and more stringent fuel quality requirements. The panel also looked into how the petrochemical and refinery industry was adjusting to these global shifts and how technology advances and new business models might be leveraged to offer more efficient and sustainable performances in the future. Successful Symposium

Reflecting on the success of this ninth Symposium, the SG stated, “Fostering good relations and transparency between all stakeholders in the energy industry is an utmost priority for OPEC. We are very appreciative and thankful for the positive dynamic and spirit of collegiality that has developed with the IEA and IEF. Our Symposium today has once again demonstrated that our three agencies are dedicated to an ethos of public service, acting in the interests of producers and consumers, cognizant of the multiplier effects this generates for the global economy.”

Finally he whetted the audience’s appetite for more cooperation, saying, “The entire OPEC team is very much looking forward to welcoming you all to Vienna for the Third IEA-IEF-OPEC Technical Meeting on the Interactions between Physical and Financial Energy Markets on March 28, 2019.”
Al Mazrouei recognized as ‘International oil diplomacy person of the year 2018’

Suhail Mohamed Al Mazrouei, the Minister of Energy and Industry of the United Arab Emirates (UAE), was named ‘International oil diplomacy person of the year 2018’. The Minister received the Award during a ceremony at the Energy Institute’s International Petroleum (IP) Week, which took place in London at the end of February.

Al Mazrouei, who was also OPEC Conference President in 2018, said he was “humbled and honoured” to receive the award. He follows in the footsteps of Khalid A Al-Falih, Saudi Arabia’s Minister of Energy, Industry and Mineral Resources, who received the accolade the previous year.

In its Letter of Award, the Energy Institute stated that Al Mazrouei had taken an important global leadership position among hydrocarbon-rich nations. He not only helped to steer the Middle East away from fuel subsidies but also tackled unsustainable consumption patterns, which would ensure that the UAE and others are aligned with the international community’s efforts to overcome climate change challenges in support of the Paris Agreement.

The Minister was nominated for the Award by Gulf Intelligence, the Energy Institute’s Middle East knowledge partner, and supported by the Energy Institute Council.

Vision and leadership

Louise Kingham, CEO of the Energy Institute, stated: “As President of the OPEC Conference, you have shown exemplary vision and leadership through 2018 with your stewardship of the continued implementation of the ‘historical’ agreement to seek oil market stability among some 25 OPEC and non-OPEC countries to the benefit of producing and consuming nations alike.”

Sean Evers, Managing Partner of Gulf Intelligence, commented: “[The Minister’s] diplomatic skills were...
critical in a year when the fabric of the OPEC+ 25 countries could have frayed and fallen apart.”

Speaking at the 175th Meeting of the OPEC Conference, held in Vienna, Austria, in December 2018, OPEC Secretary General, Mohammed Sanusi Barkindo, said that as President of the Conference for 2018, Al Mazrouei had “guided our Organization with immense skill, diplomatic tact and statesmanship. During this time, OPEC and its non-OPEC partners had the onerous task of implementing their voluntary production adjustments. Yet this was successfully delivered, while building the longer-term relationships that I am confident will support OPEC and its partners well into the future.”

During the year of Al Mazrouei’s OPEC Conference Presidency, there were many highlights. The 7th OPEC International Seminar on June 20–21, 2018, was executed to critical acclaim. The decisions of the 174th and 175th Meetings of the OPEC Conference, as well as the 4th and 5th Meetings of the OPEC and non-OPEC Ministerial Conferences, also showed that the ‘Declaration of Cooperation’ partners can be flexible and adaptive in their strategy of contributing to sustainable oil market stability.

In addition, there were the successful JMMCs held in Muscat, Oman; Jeddah, Saudi Arabia; Algiers, Algeria; and Abu Dhabi in the UAE.

The overwhelming consensus of all observers is that Al Mazrouei has been an extremely successful President of the OPEC Conference. His peers and all who work closely with him have been consistently impressed by his professionalism, dedication and fundamental decency. The Energy Institute’s Award is a fitting tribute to his leadership and commitment.
The successful 19th Multi-Disciplinary Training Course was held at the OPEC Secretariat, with 38 participants from eight Member Countries in attendance for the four-day event, held from March 4–8.

The Director of the Research Division (DRD), Dr Ayed Al-Qahtani, welcomed the participants and made introductory comments, including some on the history of OPEC and its long-lasting mission to coordinate petroleum policies among Member Countries to secure a fair and stable market for producers, consumer and investors.

He also discussed the ‘Declaration of Cooperation’, signed on December 10, 2016, between 24 OPEC and non-OPEC oil producing countries, and its positive effect on both the oil market and the world economy.

“We have discovered over more than two years of experience with this one-of-a-kind mechanism that we are able to help the market recover from potentially serious and destructive fluctuations. Through the long-won flexibility of our cooperation, we have been able to take oil off the market or add oil, as deemed necessary, to support stability. “The optimism brought by the ‘Declaration of Cooperation’ — today a firmly fixed element on the international energy scene — has trickled down into investment and led to an overall more positive future outlook. The decision has also supported stronger world economic growth. In short, it’s been a win-win for all involved," said Al-Qahtani.

The DRD also discussed upcoming energy demand and the need for $11 trillion in investment to meet the world’s future requirements, along with technological improvements and talented leaders.

“The Head of the Academic Committee, Dr Afshin Javan, stated that the Academic Committee has been undergoing an upgrade over the past year or so, and will wear a changed face, including several
new programmes which have been added in order to provide Member Countries with as many educational opportunities as possible.

“No matter how the composition and structure of this body changes, the MDTC will remain a staple. An institution in its own right, it has been developed and fine-tuned over the past nearly two decades, so that it has become a smoothly running machine,” he stated. “You are privileged to be among the chosen few who have the opportunity to partake in this excellent course, and we are thrilled to have you here to share our knowledge and experience with you, and to learn from you as well.”

The oil industry needs young people

He later added that: “Our industry will continue to need young, dynamic, trained people to carry it into the coming decades in an environment which always poses new challenges. The oil industry was always considered one of the most exciting industries to work in on the planet, and we hope that you are as enthusiastic about the future of oil as we are at OPEC.”

The oil industry has always been a technology and trend leader, identified by research and excellence, said Javan, adding these skills will not only help our industry in the future, but may be used to help the world tackle the broader problems facing mankind, including sustainable development and climate change.

“We at OPEC are very happy to be able to host the MDTC for nearly two decades. It’s part of our human development efforts; we want to help enable you to thrive in the environment of change and growth facing the entire energy industry. Additional to this, we have speakers, fellowships, and internships.”

Participants received presentations on all elements of work within the Secretariat from the Research Division, as well as the Support Services Division. They learned about supply and demand determinants in the oil market, the impact of the global economy, product markets, market modelling, stock movements, data collection and transportation. Other presentations covered sustainable development and energy policies, as well as OPEC’s Long-Term Strategy.

The participants of the MDTC were excited to have the opportunity to visit the sister institution the OPEC Fund for International Development (OFID) on the fourth and final day of the event. Following a presentation at OFID, they asked many questions about the Organization.
The roots of the ‘Declaration of Cooperation’:

An interview with Dr Manouchehr Takin

OPEC alumni have gone on to do many great things around the world. Dr Manouchehr Takin is no exception. Formerly a senior officer in the OPEC Secretariat’s Energy Studies Department for nine years, Dr Takin is now a recognized global expert in geopolitics, the technical and economic aspects of world oil supply and demand, as well as OPEC policy. Dr Takin is a regular speaker at international conferences and routinely appears in the media. The OPEC Bulletin’s Maureen MacNeill recently interviewed him about his experiences and files this report.

Many of those who have worked at OPEC over the years — and who have now since left — speak fondly about the Organization. It has left an indelible impression on their lives. Such is the case with Dr Manouchehr Takin.

Takin arrived in Vienna in 1981 to take up his post at OPEC, after the National Iranian Oil Company nominated him. As someone with a technical background, he had a lot to learn about the oil industry before arriving in Vienna. “I did not know much about OPEC,” he says. “But I began to conduct research, find references, read and take notes about the oil market, the history of the oil industry, the role of the major international oil companies and their relationships with the governments of oil producing countries.”

Challenging conventional wisdom

Elsewhere, in written memoirs shared with the Bulletin, Dr Takin elaborates on those early days at OPEC and about his preparations for his new position at the Secretariat: “The most notable point I found in almost all the literature (books, articles, reports and analyses) was that oil was a non-replaceable resource and its quantity was finite and had been produced over tens of millions of years during the geological history of the earth. The size of the world’s remaining reserves estimated by most recognized international experts in the 1970s indicated that the increasing rate of world oil production would soon reach a peak and then begin to decline. This could occur within two or three decades.”

But he also admits that despite this kind of message in the literature at the time, his technical background compelled him to do further reading and investigation — which led him to a more realistic conclusion: “On the other hand, the available data and analyses by most respectable specialists, experts and academics showed that world oil consumption was to continue growing. The increasing world population and the anticipated rise in living standards were the most obvious reasons for expecting that the high rate of growth of oil consumption would continue.”

It was in this way, he says, that the so-called ‘conventional wisdom’ of the time was challenged. In his memoir, he continues: “based on the geographic distribution of oil reserves, in the future the world will depend more and more on the oil supplies from the Middle East and OPEC.”
In time, with further research and the experiences he gained on the job, Dr Takin said the alarmist notions of ‘peak oil’ and other popular ideas of the time gave way to a new understanding of the realities on the ground. “Everyone always thought the last oil was coming soon, that it can’t grow every season,” he says during the interview. But this is part of a recurring trend in thinking. “Peak oil has been with oil history for at least 100 years. Every ten years it is a theme; but then technology overcomes it.”

He elaborates a bit further, pointing to how deeply and widely the erroneous ideas penetrated: “In 1979, the belief was there was a finite quantity [of oil] and it was running out. The Club of Rome, the US Department of Energy and others all agreed that it would run out. All agreed conventional oil would run out in about 15 years.” But we began to gradually realize oil it was not running out, he notes. “We have to realize that price and technology affect the market,” he adds, pointing to how technology continues to expand the frontiers of the industry.

**Vienna revelations**

When Dr Takin arrived in Vienna, it was the early winter of 1981. “I flew to Vienna ... and stayed in hotels, started work at the Secretariat and searched for a suitable apartment,” he recalls in his memoir. “I finally rented a two bed apartment in the 17th District of Vienna ... in a beautiful leafy area in the northwestern hilly district of the City not far from the Vienna Woods.”

As he proceeded to learn about his new home and the city of Vienna, he continued thinking about what he had learned in his preparatory research about the oil market. “The concept of limited oil resources was entrenched in my mind and I was learning more details about the market and oil price variations of the past, in particular, the price rise in 1974 and 1979/1980,” he says.

He also gained insights into the very origins of OPEC in the 1959/1960 period, when the market was still dominated by the majors. “For decades, the price of oil had been artificially kept down by the major oil companies and by public policy support of the world’s main consuming countries,” he notes in his memoir. “This would change significantly with the emergence of OPEC as a key actor in the global oil market. “For me in 1982, OPEC was the only institution of the developing countries that had been in existence for over two decades with a relatively successful record of negotiating with international oil companies and defending these countries’ main national resource and its revenues,” he writes in his memoir. “In my mind, the concept of depleting world oil resources had made the role of OPEC even more important. The value of oil was more than just burning it as a fuel and its price should be ‘high’, though at the time I did not know what a ‘high’ price would be.”

During his first six months in Vienna, as he learned more about the market and the role of different producers, Dr Takin says he began to feel somewhat discouraged — as he realized that many countries were becoming producers and exporters of oil. But he gradually learned more — and eventually realized, he says, that when the price is high, producers can afford to go to more expensive areas and take on more risk.

In his memoir he reflects: “As time went on and as part of my own work in my first and second years at the Secretariat, I was learning more facts about the oil market realities. It was during these routine data examinations that I gradually began to realize that the conditions in the world oil market were not the same as what I had expected from my preparatory readings and from what I continued to believe in my first year in Vienna.”

One of the realities that he quickly realized was that world oil production was not decreasing. “To my
dismay, oil production outside OPEC kept growing. Almost every other month, a new oil field was coming onstream in the North Sea or a country somewhere in the world was becoming a new oil producer. At the same time, as non-OPEC oil production was growing in competition with OPEC oil, world oil demand growth had slowed down and, in fact, the data showed that demand was actually decreasing.”

These were challenging things to recognize and accept. “All these were contrary to the beliefs of the top thinkers whose works I had read,” he writes.

The OWEM model

During his time at the Secretariat, Dr Takin was a junior member of the OPEC team that developed the OWEM (OPEC World Energy Model) together with the University of Southern California. The model is still in use today.

The OWEM model was developed after the market saw a huge production adjustment in 1985, when it was thought a reasonable value could be agreed upon and that this would be beneficial to producers and consumers. “That was the intention of the big computer model,” he says. “To calculate if prices were too high over the next 20 years, and [to see] how coal, nuclear energy, etc, interacted in the model with the oil price.”

His arrival in Vienna to start working at OPEC was fortuitous in this regard, as he brought his extensive technical expertise to the team working on the model “Before I went to Vienna, OPEC research decided it should do something quantitatively, study and model and forecast all the things we were experiencing,” he says. “As with other things, the modellers realized you cannot make a computer model that big. … We had to get enough data to estimate world economic growth and make it go for 20 years. To do that, for coal, you had to get good data, hard data, bottom up from coal mines around the world, and gas, and other substitutes.”

The other main models in use at the time were economic models forecasting growth for the next two to three decades. Then there was the world energy demand model. All of these were quantitative models, he explains, examining different energy substitutes. “Then we ran all these modules together in a big model,” he recalls. But he also notes that “at that time, there was no internet. We had to enter data from hard copies into different modules, run computer models and do simulations. You had to solve 100 equations and inequalities and so on.”

Eventually, the model became so big that that the data could not be maintained well enough. “You had to have a huge database. The whole world was the database. You had to maintain it, update it continuously every few months,” he says. This required all sorts of economic data, data on consumption, data on demand for oil and other energies, things like coal, oil and so on, he adds.

Eventually, the team decided that something more practical and far more manageable would be more useful. This led to some of those modules being taken out of the massive model, and the OWEM was the eventual result, he says.

Ten-day meetings

During his tenure at the OPEC Secretariat, Dr Takin had several opportunities to participate in high-level multilateral meetings of one form or another. This included the Meetings of the OPEC Conference as well.

In recalling some of his experiences, Dr Takin notes that many of these meetings took many days to conclude. “They involved many bilateral and multilateral meetings between ministers … seeking opinions, stating positions or consulting each other and exchanging views,” he notes in his memoir. “Ad hoc statements to the press and comments to media were occasionally part of the negotiating tactics,” he notes.

Dr Takin particularly remembers long, exhausting meetings at the Secretariat in the early and mid-1980s to discuss serious market imbalances that were having severe negative effects on the industry. After painstaking discussions, he recalls, the Ministers of the day decided to adjust prices by 15 per cent and then set a ceiling on production as part of production management efforts. “By July 1985 we had lost half the market in order to defend the price of oil,” he says. “We were making 14 million barrels/day and had lost 50 per cent of our market [share] in order to defend the price of oil.”

In his memoir, he provides a bit more telling detail: “By mid-1985, OPEC had cut its production by about 50 per cent — from more than 30m b/d in 1979-80 to less than 15m b/d in mid-1985. On the other hand, oil producers outside OPEC had been increasing their output — from about 35m b/d to nearly 40m b/d over those five years.”

It was clear that the approach left a lot to be desired. “OPEC had been sacrificing its own business and losing market share, benefiting non-OPEC producers,” he writes. “Obviously, that policy was not sustainable and finally OPEC scrapped its production management efforts in 1986.”

The ‘Declaration of Cooperation’

One recent action taken by OPEC, however, that has been especially effective is the ‘Declaration of Cooperation’, he says. “It is unprecedented to have 24 producing countries agreeing on something because it is good for all of them,” Dr Takin says. Noting that now there is higher revenue for producers, and the fact that producers are implementing the decision, he says it is “a major event.”

He says the historic decision made in December 2016 by 24
OPEC and non-OPEC countries to adjust production has its roots in the 1985/1986 story. Back then, OPEC had asked other producers to share the burden of adjusting production.

At that point, there were also talks with several non-OPEC producers, including governments in Alberta, Canada, Oman, Mexico and Norway. Many of them, he says, attended meetings with OPEC. But it did not lead to much. “We couldn’t work out a real cooperation or reach an agreement,” Dr Takin says. Norway tried to be accommodating by awarding fewer licenses and limiting offshore development. “It was one of the first times OPEC and non-OPEC wanted to cooperate.” However, greater cooperation was not to be.

More than a decade later, in 1998/1999, a renewed phase of efforts aimed at creating some kind of OPEC and non-OPEC cooperation emerged again, though there was no official cooperation. Dr Takin remembers meetings with non-OPEC producers in those mid- to late-1990s but again no agreement could be reached.

But the real story — the third story — of broad producer cooperation begins to be told in late 2016. “The third story is the ‘Declaration of Cooperation’,” he says, which Dr Takin describes as “a major development in the history of OPEC.”

Although it took two years to develop, the Declaration marked the first time political leaders were also involved. “In prior years, politics didn’t come into OPEC decisions,” he says. But this time, with the consultations that led to the Declaration, HH King Salman bin Abdulaziz Al Saud went to Moscow where the Russian Federation’s President Vladimir Putin was involved. Even Iran’s leader, Hassan Rouhani, was involved, he notes. It was truly a historic decision.

**Raising ‘the OPEC flag’**

Dr Takin makes no secret of the fact that he is an ardent defender of OPEC. In meetings around the world, he has often spoken on behalf of the Organization. Even when he was still at the Secretariat, his support of the Organization was unwavering. “I started to raise my hand in meetings and [...] they would joke: ‘There is the OPEC flag’.” But to this day, people “don’t know what OPEC is doing,” he says. But they should.

Even though the Organization has changed over time, it is still doing the same thing — which is to defend resources, stabilize the market and reduce fluctuations.

Three years ago shale oil producers were begging OPEC to do something about the oil market downturn. “They should be happy; they have to thank OPEC,” Dr Takin says. In fact, no other industry has created such a successful cooperation — particularly one that brings together the world’s largest producers.

Thus, Dr Takin notes in closing, “I will continue to defend OPEC [and] try to explain OPEC.” Oil and OPEC and the markets are all very exciting topics, he notes eagerly. “It’s in my blood.”

---

**Profile**

Extensive industry experience gained through a career spanning an independent consultancy in London, CGES in London, OPEC in Vienna, exploration-production operations and management with national and international oil and mining companies, and company board membership experience. Speaker at international conferences and frequent appearances in global media outlets as a recognized independent expert.

**Career history**

**International Oil and Energy Consultant — June 2014—present**

Industry consultancy, teaching, frequent media interviews and speaker at conferences.

**Centre for Global Energy Studies, London — July 1990—May 2014**

Senior Petroleum Upstream Analyst. Contributed to all of the Centre’s activities, carried out special studies and analyses on oil production capacities and investment requirements for Iran, Iraq, Saudi Arabia and the UAE, and conducted other studies on Iran, the North Sea, oil and gas services industry in the Middle East, world oil supplies, industry investments, global cost of oil production, energy security, OPEC policy, world oil market,
sanctions, ‘Peak Oil’, etc. Led one major study and supervised another major study on Iraq.

**OPEC Secretariat, Vienna, Austria — 1981–90**
Senior Research Officer. Analyzed world oil and energy issues, delivered presentations to OPEC meetings, represented OPEC in international panels and conferences. Secondment to OPEC Fund — consultant (Vienna and Tanzania) in an onshore hydrocarbons exploration project, 1982–83.

**National Iranian Oil Company — 1977–81**
Acting Head, Exploration/Production Research (including joint reservoir research with Shell in the Hague).

**Amoco International — 1977 (few months)**
Consultant. Wrote a report on the petroleum prospects of the Vienna Basin, Austria.

**Ultramar Iran Oil Company — 1975–77**
Exploration Manager for 8,000 sq km licence area in southern Iran with a ca $30 million budget.

**Amoco International — 1973–75**
Geologist, geophysicist and reservoir engineer (Iran, Chicago and Tulsa); presented to the Board of Amoco International.

**Geological Survey of Iran — 1970–73**

**Iranian Oil Consortium — 1967–70**
Geologist/geophysicist. Field and office exploration, regional and local structural and stratigraphic studies, surface and subsurface geology, geophysics, well site geology, etc.

**Part-time teaching**
Shiraz and Mashad universities and Abadan Institute of Technology — 1967–78
Imam Sadegh University, Tehran (day seminars) — spring and summer 2007
Teheran University, DBA course, Research Inst-Energy Management and Planning — day seminar winter 2017

**Non-executive board memberships**

**Clontarf Energy — 2011–14**
An AIM-listed Irish company involved in hydrocarbons exploration in the Americas and West Africa.

**Persian Gold — 2006–11**
An AIM-listed Irish company involved in gold and copper exploration in Iran.

**Iranian Copper Industries Co — 1979–81**
Developer of Sarcheshmeh mine and copper exploration.

**Public speaking, media and publications**

**Recognized oil and energy expert frequently interviewed in the global media**

**Speaker/chairman at many industry conferences**

**Publications**
Papers in many academic and professional journals throughout career.

**Education and qualifications**
Numerous technical, economic and management training courses throughout the career.

**MBA, Industrial Management Institute, Tehran — 1977**
**PhD (Geophysics), Cambridge University (Pembroke College), UK — 1967**
Published several papers. As part of the PhD thesis, conducted research at Columbia University’s Lamont Geological Observatory New York (nine months) and on marine geophysics in Gulf of Mexico and the Caribbean Sea (three months).

**BSc Honours (Geology), Manchester University, UK — 1963.**
Major oil discoveries made in Angola

The Italian oil major — Eni SpA — announced a significant oil finding in Angola, one of Africa’s key oil-producing nations.

In a press statement, Eni emphasized the importance of the new deep-water deposits, which, it said, may be Angola’s largest offshore discovery in years. The new wells possess a remarkable wealth of light crude oil, ranging between 450 million and 650 million barrels with a potential for additional quantities.

It added, the projected production capacity of the explored wells is estimated at 20,000 barrels per day.

According to Reuters, the new finding will help the African country in meeting the growing demand for this commodity.

Angola, which is a Member of OPEC and the landmark OPEC-non-OPEC ‘Declaration of Cooperation’, produced 1.63m b/d of crude oil in 2017, and its impressive proven oil reserves amount to 8.38 billion barrels, according to OPEC’s Annual Statistical Bulletin. The country is also a natural gas producer.

Saudi Arabia discovers natural gas in the Red Sea

Following its recent announcement of increased oil crude reserves, the Kingdom of Saudi Arabia proclaimed the discovery of large quantities of natural gas in the Red Sea.

The Kingdom’s Minister of Energy, Industry and Mineral Resources, Eng Khalid A Al-Falih, lauded the efforts carried out by the country’s energy giant — Saudi Aramco — highlighting its interest in bolstering the gas industry.

The Minister said, Aramco is expected to penetrate the natural gas sector in the next two years, which has led to intensifying its operations and investments to achieve this objective. In 15 years, Aramco will become one of the top five LNG producers in the world, he added.

According to the Saudi Gazette, a leading Saudi newspaper, the estimated crude oil reserves in the Red Sea are low and require high production costs, in contrast to the natural gas found in the area.

In a previous interview with Platts, Amin Nasser, Aramco’s CEO and President, highlighted the big steps being undertaken by the Kingdom to expand its natural gas activities.

“The country could be exporting around three billion cubic feet/day of gas before 2030, including both pipeline and LNG exports,” he said.

According to OPEC’s Annual Statistical Bulletin, the Kingdom of Saudi Arabia produced 115bn standard cu m of natural gas in 2017, while it enjoys remarkable proven reserves, totalling 8,710bn standard cu m.
Van Beurden named petroleum executive of the year

The Chief Executive Officer of Royal Dutch Shell plc, Ben van Beurden, has won the annual ‘Petroleum Executive of the Year’ award for 2019, presented by Energy Intelligence.

According to an online statement published by Energy Intelligence, the respected oil sector figure will be presented with the accolade in recognition of his leadership, his long-standing career, as well as his remarkable accomplishments in the oil industry. The selection process was carried out by a distinguished committee consisting of top executives from the oil industry.

In the statement, Jim Washer, Energy Intelligence’s Executive Editor, commended the CEO’s exceptional performance in the face of a challenging market environment.

“Ben van Beurden’s five years in charge of Shell have coincided with a challenging time for the oil and gas industry,” he said. “International oil companies have had to deal with a fall in crude oil prices, increased scrutiny over their carbon footprint, and questions over the long-term viability of their business model as the world approaches the energy transition. Ben van Beurden’s leadership in the face of these challenges has been characterized by a willingness to take bold decisions, often against the grain of industry opinion, and has created a blueprint for how the big oil companies of the 20th century can be repositioned to meet the energy needs of the 21st century.”

Leader in ‘energy transition’

Since becoming Shell’s CEO in 2014, Van Beurden has skillfully steered the company to achieve notable growth while spearheading the firm’s efforts to become a leader in the ‘energy transition’. Some of his key achievements to date include securing Shell’s leading position in deepwater and LNG with the acquisition of UK rival BG, coordinating a $30 billion divestment programme and in 2018 delivering an additional $10bn in cash flow from operations while ensuring capital discipline. He has also made Shell a leader in industry efforts to address climate change through the establishment of the Oil & Gas Climate Initiative (OGCI), and, in a first, committed to linking his executive remuneration to short-term targets in relation to reducing the company’s carbon footprint.

In an interview published in October 2018, Van Beurden expressed the strategic importance for Shell to recognize and address the ongoing energy transition.

“If we want to be an integral part of the energy system of the future, we will need to deliver the products that [the] society needs on its way to meeting [the UN’s] Paris [goals],” he stated.

Van Beurden joined Royal Dutch Shell in 1983, following his graduation from Delft University of Technology in the Netherlands earning a master’s degree in chemical engineering.

Since then, the Dutch national took on several roles in Shell’s upstream and downstream sectors, and various positions in operations and commerce. He also spent ten years in the LNG division.

In 2005, he was promoted to become a Vice President, in charge of manufacturing excellence, and moved to Houston, USA. In this new role, he concentrated on standards for operational excellence and the implementation of high-performance initiatives in refining activities and production of chemicals.

Van Beurden became a member of Shell’s Executive Committee in January 2013 as Downstream Director, with regional responsibility for Europe and Turkey, before being appointed Chief Executive Officer in January 2014.

The father of four is a prominent figure in the oil industry and a member of a wide-range of associations and councils, such as the International Council of Chemicals Associations and the European Chemical Industry Council.


The award will be presented to Van Beurden on October 4, 2019, at a gala dinner to be held during the 40th Oil and Money Conference in London.
Azerbaijan welcomes the Formula 1 Grand Prix to Baku
After an exhilarating 2018 season that culminated in Abu Dhabi, UAE, last December, the much anticipated 2019 Formula 1 season debuted on March 17, 2019, with the Australian Grand Prix. Azerbaijan is one of the most recent additions to the Formula 1 circuit, and is preparing to host the event in April. The OPEC Bulletin’s, Suraj S Matori reports on Azerbaijan’s role as host city and the benefits it will bring the country.
With 21 different races across four continents, the Formula 1 Grand Prix is a massive international sporting event followed passionately by millions of motor sport enthusiasts worldwide. On April 28, 2019, this massive roadshow will make its way to Azerbaijan, which is frantically preparing to welcome the teams, fans and tourists from around the world to its historic and charming capital city of Baku.

**Baku City Circuit**

Azerbaijan is one of the newest additions to the Formula 1 Grand Prix calendar, having completed its inaugural event on June 25, 2017. The race takes place downtown with a six-kilometre route that contains the usual mix of slow and medium-speed corners, some of which are quite challenging for the drivers. The course is the second longest of the racing season and was designed by renowned German engineer, racing driver and circuit designer, Hermann Tilke.

Azerbaijan marks the first street race on the calendar for the 2019 season. City tracks, such as this, are always a unique and exciting challenge for racers, and the Baku circuit has quickly become a favourite among fans. The circuit is also distinguished by the fact that it is the only track that runs alongside a UNESCO World Heritage Site — the magnificent 12th century Maiden Tower monument. Along with the Palace of the Shirvanshahs, this site is one of Azerbaijan’s most revered national monuments and is also depicted on the country's currency notes.

**Attracting robust economic benefits**

Hosting the Formula 1 Grand Prix brings significant economic benefits and increased exposure to any country, and Azerbaijan is no exception to the rule.

In the short period it has been a host city, Baku’s economy has benefited through a boost in consumer spending and heightened exposure through the broadcast of the event to a worldwide audience. The city has been positively positioned in front of a global audience, showcasing it as a destination for major sporting and entertainment events, as well as tourism. The event also bolsters annual and seasonal employment, while creating new jobs across a number of industries.

The event has also provided unique opportunities for Azerbaijani companies to gain increased exposure and establish new business opportunities as a result of being involved in race-related work.

In addition to the private sector, governments and local municipalities are involved in supporting this major undertaking, helping with organizational preparations, infrastructure services and security.

In an interview, Baku City Circuit’s Executive Director, Arif Rahimov, commented that he was encouraged by the economic benefits reaped thus far by the country in connection with the mega event.

“We are incredibly encouraged and satisfied by the overwhelmingly positive results from the economic impact of Formula 1 on Baku,” he said. “Ever since we brought this major sporting event to our capital city, we
have been keen to stress that this wonderful spectacle is more than just a showpiece event but instead a catalyst for economic, social and cultural change that will continue to drive this city — and indeed this country — forward and provide increased opportunities and benefits for everyone living and working here."

**Uniting the world**

The F1 travelling circuit, which spans four continents and 21 countries, was designed in such a way as to attract the maximum number of fans and spectators from across the globe. As the F1 event travels from country to country, host cities are able to showcase their hospitality, promote their cultures and offer a memorable experience to visiting F1 fans. Like the Olympics and the Soccer World Cup, this is the epitome of a world event that brings together people from diverse backgrounds to enjoy a common event.

In the energy world, this international unity brings to mind the OPEC-non-OPEC ‘Declaration of Cooperation’ in which Azerbaijan has played and continues to play a prominent role. In fact, it opened its doors to host the 13th Meeting of the Joint Ministerial Monitoring Committee on March 18, 2019. The meeting was a great success and provided Azerbaijan yet another opportunity to showcase its rich culture, history and traditions. It was yet another testament to the unifying force of international cooperation in all of life’s domains, from Formula 1 to the world of global energy.

---

**THE 2019 F1 RACE CALENDAR**

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 17</td>
<td>Australia</td>
<td>Melbourne</td>
</tr>
<tr>
<td>March 31</td>
<td>Bahrain</td>
<td>Sakhir</td>
</tr>
<tr>
<td>April 14</td>
<td>China</td>
<td>Shanghai</td>
</tr>
<tr>
<td>April 28</td>
<td>Azerbaijan</td>
<td>Baku</td>
</tr>
<tr>
<td>May 12</td>
<td>Spain</td>
<td>Barcelona</td>
</tr>
<tr>
<td>May 26</td>
<td>Monaco</td>
<td>Monaco</td>
</tr>
<tr>
<td>June 9</td>
<td>Canada</td>
<td>Montreal</td>
</tr>
<tr>
<td>June 23</td>
<td>France</td>
<td>Le Castellet</td>
</tr>
<tr>
<td>June 30</td>
<td>Austria</td>
<td>Spielberg</td>
</tr>
<tr>
<td>July 14</td>
<td>Great Britain</td>
<td>Silverstone</td>
</tr>
<tr>
<td>July 28</td>
<td>Germany</td>
<td>Hockenheim</td>
</tr>
<tr>
<td>August 4</td>
<td>Hungary</td>
<td>Budapest</td>
</tr>
<tr>
<td>September 1</td>
<td>Belgium</td>
<td>Spa</td>
</tr>
<tr>
<td>September 8</td>
<td>Italy</td>
<td>Monza</td>
</tr>
<tr>
<td>September 22</td>
<td>Singapore</td>
<td>Singapore</td>
</tr>
<tr>
<td>September 29</td>
<td>Russia</td>
<td>Sochi</td>
</tr>
<tr>
<td>October 13</td>
<td>Japan</td>
<td>Suzuka</td>
</tr>
<tr>
<td>October 27</td>
<td>Mexico</td>
<td>Mexico City</td>
</tr>
<tr>
<td>November 3</td>
<td>USA</td>
<td>Austin</td>
</tr>
<tr>
<td>November 17</td>
<td>Brazil</td>
<td>São Paulo</td>
</tr>
<tr>
<td>December 1</td>
<td>Abu Dhabi</td>
<td>Yas Island</td>
</tr>
</tbody>
</table>
Refugees and host communities: where next?
Vienna development-displacement nexus roundtable event addresses some of the world’s most complex and pressing challenges. Interviews and reporting by **Steve Hughes** with help from the International Centre for Migration Policy Development (ICMPD).
OFID recently hosted a roundtable at its Vienna headquarters to discuss policy options to address the interrelated challenges associated with development, refugees and international protection, and host communities. Working in partnership with ICMPD, OFID gathered key stakeholders from governmental institutions in Egypt, Jordan, Lebanon and Turkey, international organizations and the donor community to focus on the ‘development-displacement’ nexus.

Host country stakeholders engaged on their needs and discussed how these needs can better align with protection-oriented policies directed toward refugee populations and host communities.

Attendees also gave positive feedback on how better to implement development perspectives into humanitarian responses to refugees.

The OFID Quarterly talked with some of the attendees...

**FEDA FALEH GHARAIBEH**  
Director, Humanitarian Relief Coordination Unit, Ministry of Planning and International Cooperation, Jordan

“The population of Jordan is around 9.5 million. Of these, 3.6m are refugees, including 1.3m Syrians. They have access to free education, they receive subsidized healthcare and obviously consume resources (the consumption of water has increased significantly and the annual water share per person has dropped). The quality of services has been driven down. At the same time, competition for employment is also up. The unemployment rate in Jordan is extremely high — around 18 percent — and unemployment among Jordanian youth is at more than 30 percent. This is a record high.

Conditions are critical. There is a lot of pressure on citizens and the government. We are being asked to improve our situation by the IMF. Courageous decisions need to be made without adversely impacting Jordanians. In parallel to all the reforms needed, the social protection of Jordanians needs to be improved. This is why the government of Jordan is keen to ensure the international community steps in and invests in our social programmes — mainly the National Aid Fund — to enable the fund to expand the base of beneficiaries and ensure the poverty rate does not increase further.

Another concern is funding for UNRWA — the highest number of refugees are Palestinians, so if there is a cut in support for education, healthcare, shelter etcetera, the government will bear this burden.

All these factors add up to a major challenge. We hope we can reach some solutions with the help of the international community. I am here to highlight this situation and to urge the international community to continue to support Jordan — we need investment to create more jobs and to stimulate growth (currently less than two percent) and enable the government to continue with its reform programme.”

**CHRISTOPH BIERWIRTH**  
Head of the United Nations High Commissioner for Refugees (UNHCR), Liaison Office to the OSCE and Vienna-based UN agencies

“The sheer size of today’s global displacement challenges requires increased involvement of development actors in a comprehensive response, in particular in view of working toward durable solutions. The overarching principle of ‘leaving no one behind’ which guides the Sustainable Development Goals (SDGs) offers direction as many of the SDGs can be applied in the refugee context. I was pleased that today’s discussions allowed us to look at
displacement scenarios and to exchange experience and lessons learned in a more comprehensive manner. It is important to consider host populations and displaced people equally. Cooperation of development and humanitarian actors helps to develop common strategies, response plans and consolidated action, and to align advocacy efforts. The world is so complex that working alone is not an option and synergies must be found to maximise the use of limited resources, in order to mitigate suffering and create a future for refugees, displaced populations and the societies that host them. It’s important for the different actors to get together for events like this, but also for specific training exercises."

MÉLISSA BADER
Advisor on International and Humanitarian Affairs, Office of the Minister of State for Displaced Affairs

“Lebanon continues to be a large haven for refugees. The majority are Syrians (950,000 registered, and an estimated 300,000 unregistered) and Palestinians (225,000). Hosting a refugee population amounting to 40 per cent of a country’s total population requires not only hospitality, but also resilience and courage. The capacity of host communities and government infrastructure is being overstretched and exhausted. Tensions have increased between refugees and host communities due to competition for limited resources and job opportunities. The Office of the Minister for Displaced Affairs has promoted key protection oriented policies, including:

- Maintaining respect for the principle of ‘non-refoulement’ (the practice of not forcing refugees or asylum seekers to return to a country in which they are liable to be subjected to persecution) and ensuring that any return to Syria is voluntary and undertaken in coordination with UNHCR.

- Improving refugee freedom of movement by waiving residency fees and respecting the right of refugees to access livelihood opportunities (allowing refugees to work mainly in the three sectors of construction, agriculture and environment).

- Preventing statelessness by granting Syrian refugees access to civil documentation.

As much as the government of Lebanon believes in developing protection oriented policies for refugees in countries of first asylum — and forums relating to discussing solutions — it believes that the root causes of forced migration should be addressed, especially in cases of conflict, via a proper and real application of international law (rather than political interests). We insist on the right of return of displaced people from Syria to their country of origin. We are committed to facilitating this return, based on plans set out and coordinated by the United Nations, where the safety of refugees is guaranteed even if the war has not ended.”

1. According to the United Nations High Commissioner for Refugees (UNHCR), Jordan is host to 673,414 Syrian registered refugees. The Jordan government’s figure may be higher because of the inclusion of Syrians in Jordan before 2011 and other different measurement techniques.

2. The International Monetary Fund (IMF) has repeatedly urged the international community and regional donors to shoulder more of the burdens of Jordan’s hosting of over a million Syrian refugees and providing security in the region, all of which have placed extraordinary strains on its public finances. The IMF also states that Jordan’s public finances needs to remain underpinned by broadening the tax base so the burden is broadly shared, including by removing large tax exemptions on income and sales taxes.

3. United Nations Relief and Works Agency for Palestine Refugees (UNRWA) is the mandated agency for assistance and protection of Palestinian refugees. The agency is funded almost entirely by voluntary contributions from UN member states. UNRWA also receives some funding from the Regular Budget of the United Nations, which is used mostly for international staffing costs.

4. According to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) 449,957 Palestinian refugees have been registered in Lebanon.
LOUISE DANN
Resource and Partnerships Adviser, United Nations Population Fund

“Primarily, I’m here to listen — and to contribute — to the development displacement nexus conversation. My organization focuses on the needs of women, families, girls and unaccompanied minors in a migration or refugee context. These are particularly vulnerable groups while on the move and in transit situations. We need to think about both their immediate and longer-term needs. Many people focus on the big picture when it comes to refugees and displaced populations, but today, we are all bringing our unique focus, experiences and knowledge. Sexual exploitation, human trafficking, violence and simple general health needs are all important topics particularly when it comes to the aforementioned groups.

We have to consider what the implications are of not meeting these needs. We also want to include women as a specific focus when it comes to employment opportunities. Without focusing on women specifically, some of the larger employment programs may overlook women — they have families and other responsibilities. They are particularly vulnerable to sexual exploitation: sex for aid, human trafficking and very lowly paid work. People are receptive to these arguments from a moral and ethical viewpoint, but what’s interesting about today is that we’re also focusing on the economic and political implications — these tend to move governments quickly.”

SULEIMAN J AL-HERBISH
OFID Director-General (at the time of the roundtable)

OFID’s former Director-General emphasized the negative effect displacement has on development, affecting poverty reduction, economic growth, human and social welfare, and environmental sustainability. He explained that OFID has committed considerable resources to “addressing the underlying socioeconomic factors of conflict and crisis, in addition to supporting operations aimed at tackling fragility and poverty — while in parallel supporting the development of comprehensive policy and institutional frameworks for displacement.”

DR MICHAEL SPINDELEGGER
ICMPD Director General

Michael Spindelegger highlighted the value that development approaches can have on ensuring the protection needs of refugees and other displaced populations are met, and the important role the international community must play in ensuring durable solutions: “We all have to work toward enhancing the pathways to protection and resettlement. But we also need to step up the support for the main refugee hosting countries and — this ‘and’ is the important one — to work on creating perspectives for refugees in those countries.”
Now in its eighth year, the Syrian crisis has led to the displacement of over 5.6 million Syrians into neighbouring countries. Turkey and Lebanon host the highest number of registered Syrian refugees, with 3.6m and 950,000, respectively, and Syrians now represent approximately a quarter of the Lebanese population. This influx has had important — and mixed — impacts on Turkey and Lebanon’s economy, labour market, social systems and society more broadly. Two new Working Papers, published by the International Centre for Migration Policy Development, analyze the impacts of this influx on the respective countries. Published in the context of broader research conducted on the development-displacement nexus, and co-funded by OFID, the Working Papers discuss aspects related to protection and humanitarian responses to Syrian refugees, as well as development-related issues for the host country. The papers outline the evolution of the refugee influx in Lebanon and Turkey, the characteristics and legal status of Syrians in the countries, the impact of the refugee crisis on various sectors, as well as wider societal implications, and the relevant national policies and responses. The papers provide a comprehensive overview of the current situation in Turkey and Lebanon, and offer a solid basis for those interested in learning more about the impacts of the Syrian refugee crisis for these two important host countries.

Assessing the Development-Displacement Nexus in Lebanon by Lama Kabbani and Jad Kabbani and Assessing the Development-Displacement Nexus in Turkey by Fulya Memişoğlu are available at: www.icmpd.org and research.icmpd.org

BRIDGING REFUGEE PROTECTION AND DEVELOPMENT

The roundtable and its results will feed into an ICMPD study Bridging refugee protection and development, which is co-funded by OFID. The study’s main goal is to enhance knowledge about the potential of protection-oriented policies to support durable solutions and resilience-based development. Ultimately, the study aims to propose viable policy options to address the development-displacement nexus, developed based on input from key stakeholders from major refugee-hosting countries, donors and implementing partners in the field. The roundtable event was held on the sidelines of ICMPD’s 3rd Vienna Migration Conference — co-sponsored by OFID — at the Aula of Sciences in Austria’s capital city. The title of this year’s conference was: From crisis management to future governance.
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

February 11
Students from various universities in China, organized by IES Abroad Vienna.

February 8
Students from the Hochschule Landshut — Hochschule für angewandte Wissenschaften, Landshut, Germany.
February 14  Students from the University of Vienna and Seoul National University, Korea and Austria.

February 22  Students from Sciences Po, FNSP, Nancy, France.

February 25  Students from the University of Vienna, Austria.

Impressions from groups visiting the OPEC Secretariat

“We would like to thank OPEC for hosting our visit, and for the thoughtful and substantive presentation and responses to our questions. The students continued to discuss the visit long after we departed. The briefing was able to challenge them to think about the Organization from a different perspective — a very valuable lesson.”

— Edward A Fogarty, Associate Professor of Political Science, Director, International Relations Program, Colgate University, USA

“I appreciate the ways in which OPEC facilitates dialogue, not only between Member Nations, but that it offers the opportunity for interested students and individuals, as well to engage directly with such an important Organization. It was also great to learn about the interesting work OPEC is doing around the world through the OPEC Fund for International Development.

— Carly Shea, University of St Andrews, Scotland

“I would like to thank OPEC for the hospitality and the great preparation to ensure the visit exceeded our expectations. OPEC is a brilliant Organization that started with just an idea and ended up being a mastermind in the oil and gas world!”

— Eng Nada Al-Mesfer, MBA in Energy Management, WU Executive Academy, Vienna

“I found the sessions very informative and interesting. As a native of Kazakhstan, the fact that my country signed the ‘Declaration of Cooperation’ has increased my personal interest in OPEC, and our visit to the Secretariat helped build my awareness of its goals and the way it operates.”

— Meruyet Dosmukhambetova, MBA in Energy Management, WU Executive Academy, Vienna
Vacancy Announcements

statistical data verification and documentation of information quoting the job code: 3.1.01 (see www.opec.org — Employment).

In order for applications to be considered, they must reach the OPEC Secretariat through the relevant Governor not later than April 26, 2019.

Applicants are requested to fill in an application form which can be downloaded from the OPEC website.

Applicants must be nationals of Member Countries of OPEC and should not be older than 58 years.

Applications:

Main responsibilities:

- Plans, organizes, coordinates, manages and evaluates the work in the Statistics and IT Development Groups and Information Centre covering: statistical data verification and documentation of information pertaining to oil markets; review and clearance of the research results and reports produced by the Department; advancement of the technical equipment on computer and information technology; coordination of the information exchange project between the Secretariat and the Member Countries, Member Countries’ institutions and oil companies via internet/intranet; as well as continuous re-designing and security of the OPEC Web page; development of IT applications and database systems, database administration and software installation; provision of library services in accordance with the Medium-Term Programme and Work Programme and Budget of the Research Division.

- Maintains and/or strengthens the cooperation with external institutions such as APERC, Eurostat, IEA, OLADE and the UN Statistics Division, to improve the quality of oil data in the Secretariat. To this end maintains the DSD database on the Joint Oil Data Exercise.

- Ensures full response to requests by the Conference, BOG, ECB and standing committees for data and information relevant to the work of the Department.

- Arranges presentations at relevant OPEC meetings and international forums representing the Secretariat as required.

- Develops and maintains networks with external experts and institutions in fields relating to the work of the Department.

- Keeps the Director of Research Division fully informed on all aspects of the work of the Department, and draws his/her attention to important analyses performed by it.

- Evaluates the performance of the staff of the Department, and recommends to the Director of Research Division, staff development, salary increase, promotion and separations as appropriate.

- Ensures that the staff of the Department receives the supervision and guidance necessary to broaden and deepen their skills and continuously improve their performance.

- Prepares the annual budget for the Department.

- Carries out any other tasks assigned to him/her by the Director of Research Division.

Required competencies and qualifications:

Education:

Advanced University degree in fields related to statistics, computer applications, or informatics. PhD in either field preferred.

Work experience:

Advanced degree: 12 years in field of Statistics and/or Information Management and Analysis in the energy and oil sector, as well as in System Development and use of computers in Statistical Analysis with a minimum of four years in a managerial position, preferably at large national, regional, or international institutions. PhD: Ten years.

Training specializations:

Oil related statistical data; software application development; systems analysis and design; project management; professional management & leadership.

Competencies:

Managerial & leadership skills; communication skills; decision making skills; strategic orientation; analytical skills; presentation skills; interpersonal skills; customer service orientation; negotiation skills; initiative and integrity.

Language:

English.

Status and benefits:

Members of the Secretariat are international employees whose responsibilities are not national but exclusively international. In carrying out their functions they have to demonstrate the personal qualities expected of international employees such as integrity, independence and impartiality.

The post is at grade B reporting to the Director of Research Division. The compensation package, including expatriate benefits, is commensurate with the level of the post.

Applications:

Applicants must be nationals of Member Countries of OPEC and should not be older than 58 years.

Applicants are requested to fill in an application form which can be downloaded from the OPEC website.

In order for applications to be considered, they must reach the OPEC Secretariat through the relevant Governor not later than April 26, 2019, quoting the job code: 3.1.01 (see www.opec.org — Employment).
IT Services Coordinator

The IT Services Section is responsible for ensuring availability and optimal performance of the computer network facilities, particularly the e-mail, internet and printing systems, including hardware and software planning and replacement, as well as printing and the telecommunication system for the entire Secretariat.

**Objective of position:**
To coordinate and supervise the activities of the IT Services Section to maintain a solid and reliable computer network infrastructure; to specify hardware and software requirements; to analyze available options and make appropriate recommendations to the Head, AITSD; and to evaluate user needs and provide support as required.

**Main responsibilities:**
Ensures availability and optimal performance of the computer network facilities, particularly the e-mail, internet and printing systems, telecommunication and printing equipment, as well as hardware and software planning and replacement. Coordinates and administers the work of the IT Services Section to ensure that staff meets their work targets; carries out server-side and client-side hardware/software installations. Draws up a sound fault-tolerant, data backup and disaster recovery strategy, implements and regularly revises same. Analyzes and evaluates offers for technological requirements and makes recommendations to management. Supervises helpdesk activities in order to ensure that users benefit from a high level of support service; joins in providing helpdesk support when specialized knowledge is required or when there is a backlog of unresolved support calls. Monitors network activities and conducts security checks, in conjunction with the system administrators, in order to guard against network intrusion. Investigates and evaluates new IT paradigms; determines the feasibility and potential benefits of new or emerging technology for OPEC’s work. Carries out any other tasks assigned by the relevant superiors as pertain to his/her background, qualifications and position.

**Required competencies and qualifications:**
**Education:** University degree in computer science or related field. Advanced degree preferred.

**Work experience:** University degree: ten years in IT, whereof two years in supervisory/coordinating position. Advanced degree: eight years.

**Training specializations:** Microsoft Operating Systems; Linux; Exchange e-mail server; Firewall management; PC and Network Troubleshooting; User support skills.

**Competencies:** Managerial & leadership skills; communication skills; analytical skills; presentation skills; interpersonal skills; customer service orientation; team-building skills; initiative and integrity.

**Language:** English.

**Status and benefits:**
Members of the Secretariat are international employees whose responsibilities are not national but exclusively international. In carrying out their functions they have to demonstrate the personal qualities expected of international employees such as integrity, independence and impartiality.

The post is at grade D reporting to the Head of Administration & IT Services Department. The compensation package, including expatriate benefits, is commensurate with the level of the post.

When applying, please quote the job code: 10.3.01 (see www.opec.org — Employment).

---

Modelling and Forecasting Analyst

The prime objectives of the Petroleum Studies Department are: To provide pertinent and reliable information and analyses in support of decision-making and policy-making in Member Countries. To carry out, on a continuous basis, research programmes and studies on short-term petroleum market developments with the aim of issuing reports on a regular (ie daily, weekly, monthly and bi-monthly), as well as ad hoc basis highlighting important issues for their use and consideration. To conduct regular forecasts, elaborate and analyze oil market scenarios and prepare and publish reports on these findings. To promote OPEC views and technical analysis on short-term oil market developments to the industry at large and general public via the OPEC Monthly Oil Market Report (especially the feature article), as well as other reports, presentations and related pod casts. To prepare and contribute to reports to be submitted to the ECB, the BOG and the MMSC, as well as papers for various OPEC publications.

**Objective of position:**
To develop the Department’s quantitative approach for estimating and forecasting short-term oil market developments and supervise and coordinate the application.

**Main responsibilities:**
 Applies analytical and quantitative techniques and models on issues relating to oil market fundamentals and other data and information and reports thereon to the Governing Bodies. Coordinates and supports the Department’s work in the development and application of quantitative analyses and forecasts for short-term oil market and related developments; in particular responsible for initiating, updating and modifying modelling techniques; to this end reviews literature for new techniques. Studies, coordinates, and advises on and carries out the development of short-term oil market models in the Department, including annual updating of relevant manuals and guidelines and identifying data requirements. Studies and examines the development of other relevant forecasting tools, methods and models, including through networking with external expertise in this field. Carries out any other tasks assigned by the relevant superiors as pertain to his/her background, qualifications and position.

**Required competencies and qualifications:**
**Education:** University degree in energy economics, econometrics or operations research. Advanced degree preferred.

**Work experience:** University degree: eight years in the oil industry sector. Advanced degree: six years.

**Training specializations:** Analytical work in energy economics and modelling. Computer application in econometrics and operations research. Knowledge of quantitative econometrics and time series such as VAR, VECM also Dynamic panel data, GMM and energy modelling.

**Competencies:** Communication skills; Analytical skills; Presentation skills; Interpersonal skills; Customer service orientation; Initiative and integrity.

**Language:** English.

**Status and benefits:**
Members of the Secretariat are international employees whose responsibilities are not national but exclusively international. In carrying out their functions they have to demonstrate the personal qualities expected of international employees such as integrity, independence and impartiality. The post is at grade E reporting to the Head of Petroleum Studies Department. The compensation package, including expatriate benefits, is commensurate with the level of the post.

Please quote the job code: 4.3.01 (see www.opec.org — Employment).

---

Applications:
Applicants must be nationals of Member Countries of OPEC and should not be older than 58 years. Applicants are requested to fill in an application form which can be downloaded from the OPEC website.

In order for applications to be considered, they must reach the OPEC Secretariat through the relevant Governor not later than April 26, 2019.
Forthcoming events

Atyrau oil and gas, April 9–11, 2019, Atyrau, Kazakhstan. Details: ITE Group plc, Oil and Gas Division, 105 Salusbury Road, London NW6 6RG, UK. Tel: +44 207 596 5233; fax: +44 207 596 5106; e-mail: oilgas@ite-exhibitions.com; website: www.oil-gas.kz/en.

SPE oil and gas conference, April 9–11, 2019, Mumbai, India. Details: Society of Petroleum Engineers, Dubai Knowledge Village, Block 17, Offices S07-S09, PO Box 502217, Dubai, UAE. Tel: +971 4 390 3540; fax: +971 4 366 4648; e-mail: spedub@spe.org; website: www.spe.org/events/en/2019/conference/19ogic/oil-and-gas-india-conference-and-exhibition.html.

Base oil and lubes Middle East 2019, April 10–11, 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/blm.

Oman downstream exhibition and conference, April 15–17, 2019, Muscat, Sultanate of Oman. Details: Oman Expo, 1st Floor, SABCO Building, Wattayah, Muscat, Oman. Tel: +968 24 66 01 24; fax: +968 24 66 01 25/126; e-mail: info@omanexpo.com; website: http://downstream-oman.com.

Argus LPG Sochi 2019, April 16–17, 2019, Sochi, The Russian Federation. Details: Argus Media, Lacon House, 84 Theobald’s Road, London WC1X 8NL, UK. Tel: +44 20 77 80 42 00; e-mail: london@argusmedia.com; website: www.argusmedia.com/en/conferences/events-listing/lpg-sochi.

Oil and fuel supply chain security, April 16–18, 2019, London, UK. Details: IQPC Ltd, Anchor House, 15–19 Britten Street, London SW3 3QL, UK. Tel: +44 207 368 9300; fax: +44 207 368 9301; e-mail: enquire@iqpc.co.uk; website: https://oilandfuelsupplychainsecurity.iqpc.com/?utm_medium=portal&mac=IQPCCORP.

International oil and gas exhibition, April 23–25, 2019, Moscow, The Russian Federation. Moscow Details: ITE Group plc, Oil and Gas Division, 105 Salusbury Road, London NW6 6RG, UK. Tel: +44 207 596 5233; fax: +44 207 596 5106; e-mail: oilgas@ite-exhibitions.com; website: www.mioge.ru/en-GB.

Argus West Africa LPG, April 25–26, 2019, Abuja, Nigeria. Details: Argus Media, Lacon House, 84 Theobald’s Road, London WC1X 8NL, UK. Tel: +44 20 77 80 42 00; e-mail: london@argusmedia.com; website: www.argusmedia.com/en/conferences/events-listing/west-africa-lpg.

Erbil international oil and gas exhibition, April 25–28, 2019, Erbil, Iraq. Details: Pyramids International Conferences and Exhibitions, 84 Joseph Tito, El Nozha El Gedida, Cairo, Egypt. Tel: +2 262 33 19 0; fax: +2 262 33 191; e-mail: info@pyramidisfaireg.com; website: www.erbiloilgas.com.

Iran oil show, May 1–4, 2019, Tehran, IR Iran. Details: National Iranian Oil Company, 1st floor, 3rd NIOC Headquarter No 18, Roodsar St, Hafez St, Tehran, IR Iran. Tel: +98 21 88 91 63 94-88 80 26 59; fax: +98 21 82 01 56 49; e-mail: info@iran-oilshow.ir; website: http://iran-oilshow.ir/en.

Sub-Saharan Africa oil and gas conference, May 2–3, 2019, Houston, TX, USA. Details: Energy and Corporate Africa Headquarters, 10103 Fondren Road, Suite 321, Houston, TX, 77096, US. Tel: +1 281 691 57 25; fax: +1 713 271 77 73; e-mail: energycorporateafrica@gmail.com; website: www.energycorporateafrica.com.

Offshore technology conference, May 6–9, 2019, Houston, TX, USA. Details: Offshore Technology Conference, 10777 Westheimer Road, Suite 1075, Houston, TX, 77042 US. Tel: +1 972 952 94 94; fax: +1 713 779 42 16; e-mail: meetingsotc@otcnet.org; website: http://2019.otcnet.org/welcome.

Floating LNG global, May 13–14, 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/flng.

SPE Norway one day seminar, May 14, 2019, Bergen, Norway. Details: Society of Petroleum Engineers, Part Third Floor East, Portland House, 4 Great Portland Street, London W1W 8QJ, UK. Tel: +44 207 299 3300; fax: +44 207 299 3309; e-mail: spelon@spe.org; website: www.spe.org/events/en/2019/conference/19berg/spe-norway-one-day-seminar.html.

Global oil and gas exhibition and conference, May 15–16, 2019, Tashkent, Uzbekistan. Details: ITE Group plc, Oil and Gas Division, 105 Salusbury Road, London NW6 6RG, UK. Tel: +44 207 596 5233; fax: +44 207 596 5106; e-mail: oilgas@ite-exhibitions.com; website: www.oilgasconference.uz.

Argus Rio crude conference, May 20–22, 2019, Rio de Janeiro, Brazil. Details: Argus Media, Lacon House, 84 Theobald’s Road, London WC1X 8NL, UK. Tel: +44 20 77 80 42 00; e-mail: london@argusmedia.com; website: www.argusmedia.com/en/conferences/events-listing/rio-crude.

World gas and power series: Brazil and the Americas summit, May 21–22, 2019, Rio de Janeiro, Brazil. Details: CWC Associates Ltd, Regent House, Oyster Wharf, 16–18 Lombard Road, London SW11 3RF, UK. Tel: +44 207 978 0080; fax: +44 207 978 0099; e-mail: sshelton@thecwcgroup.com; website: www.cwcbrasilgas.com.

Canada LNG export conference and exhibition, May 21–23, 2019, Vancouver, Canada. 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: https://canadagaslng.com.

Caspian oil and gas exhibition and conference, May 29–June 1, 2019, Baku, Azerbaijan. Details: ITE Group plc, Oil and Gas Division, 105 Salusbury Road, London NW6 6RG, UK. Tel: +44 207 596 5233; fax: +44 207 596 5106; e-mail: oilgas@ite-exhibitions.com; website: https://caspianoilgas.az.
Review of global oil demand trends

February 2019

Global oil demand experienced healthier than expected growth in 2018, increasing by 1.47 million barrels/day compared to an initial expectation of 1.26 m b/d. The largest contributors to this growth are OECD Americas, with the US being the main contributor, followed by China and India. For the year, total oil consumption averaged around 98.76 m b/d.

From a regional perspective, the OECD experienced a solid increase, supported by strong demand from OECD Americas, particularly the US. OECD Americas was the largest contributor to the overall growth in world oil demand in 2018, amid firm macroeconomic indicators and a prosperous petrochemical sector. Growth was particularly strong for NGL/LPG, diesel fuel and jet kerosene.

In OECD Europe, oil demand remained in positive territory for the fourth-consecutive year as oil requirements increased in 2018 albeit at much slower pace than in previous years. OECD Asia Pacific registered solid gains in 1H18, stimulated by stable oil requirements from South Korea and Australia. Demand growth eased substantially thereafter, particularly in South Korea and from lower petrochemical feedstock demand, largely amid heavy maintenance activities. As a result, oil demand growth in OECD Asia Pacific declined y-o-y in 2018.

In the non-OECD, Other Asia enjoyed robust oil demand growth last year, following strong requirements in India, Indonesia, Singapore and Thailand. Oil demand in India recorded notable gains, supported by robust economic activities, and solid sales for both passenger and commercial vehicles, as well as government expansion projects, particularly in road construction. Oil demand in China remained firm, despite signs of a slowdown in 4Q18, as overall economic momentum eased and amid a steep decline in vehicle sales. In the Middle East, economic transformation policies, including subsidy reductions and an increase in tariffs, pushed oil demand growth into negative territory for the first time since 1989. Similarly, in Latin America, oil demand growth was lower than expected amid economic turmoil in Argentina and Brazil.

For 2019, global oil demand is foreseen increasing by around 1.24 m b/d to average 100.00 m b/d, reaching the 100 m b/d threshold for the first time on an annual basis.

In the OECD, oil demand is projected to grow by 240,000 b/d, with the OECD Americas being firmly positive, driven by solid NGL/LPG and middle distillate requirements. Oil demand in OECD Europe is projected to continue to decelerate in line with economic uncertainties. Oil consumption in OECD Asia-Pacific is also anticipated to weaken in light of planned substitution programmes.

In the non-OECD, oil demand is expected to grow by around 1.00 m b/d. Lower Chinese oil demand growth is expected to be offset by higher oil requirements in the Middle East and Latin America.

On the products side, the focus will be on light and middle distillates to fuel the growing petrochemical sector and support industrial activities, followed by gasoline, which will be driven by rising global vehicle sales.

Over the past two years, global oil demand has turned out to be higher than expected, supported by healthy economic activities, particularly in the OECD. With economic momentum expected to slow in the current year, this makes economic developments in the major consuming nations a key factor to monitor going forward. Further uncertainties impacting oil demand growth this year are seen to be trade concerns, the strength of substitution with natural gas and other fuels, the effect of commissioning/delays/closure of petrochemical projects, and the implementation of subsidy and energy efficiency programmes, particularly in the transportation sector.
MOMR ... oil market highlights

Crude oil price movements — The OPEC Reference Basket (ORB) rebounded in January, gaining more than three per cent, or $1.80 month-on-month (m-o-m), to average $58.74/barrel. Crude oil prices improved over the month, buoyed by robust market fundamentals with signs of tightening crude supply as well as firm crude oil demand, particularly from Asia-Pacific. In January, ICE Brent was on average higher by $2.57, or 4.4 per cent, m-o-m at $60.24/b, while NYMEX WTI rose m-o-m by $2.57, or 5.2 per cent, to average $51.55/b. The Brent contango structure flattened as the market moved toward balance, while the WTI structure remained in significant contango, reflecting US market fundamentals. The DME Oman forward curve remained in backwardation.

World economy — The global economic growth forecast was revised down to 3.3 per cent for 2019 and 3.6 per cent in 2018. In the OECD, 2019 US growth was revised lower to 2.5 per cent, following growth of 2.9 per cent in 2018. Euro-zone growth was also revised down to 1.3 per cent for 2019, after growth of 1.8 per cent in 2018. Japan’s growth forecast remained at 1.0 per cent for 2019 and stands at 0.8 per cent in 2018. In the non-OECD countries, China’s growth forecast of 6.1 per cent in 2019 remains unchanged from the previous month, following slightly better than expected growth in 2018 of 6.6 per cent. India’s growth forecast remained at 7.2 per cent for 2019, after 7.5 per cent in 2018. Growth in Brazil remains unchanged at a forecast 1.8 per cent for 2019, following 1.1 per cent in 2018. Russia’s 2019 GDP growth forecast was revised down slightly to 1.6 per cent, the same growth level as seen in 2018. While some positive signals still support global economic growth at around the current forecast level, underlying risks continue, considering ongoing trade tensions, monetary policies and ongoing challenges in several emerging and developing economies.

World oil demand — In 2018, the estimate for world oil demand growth was revised lower by a slight 30,000 b/d from last month’s report. This came as a result of slower than expected demand growth from OECD-Europe and Asia Pacific, as well as from non-OECD Other Asia and the Middle East. Total world oil demand growth in 2018 is estimated at 1.47 m/b, for an average of 98.78 m/b for the year. For 2019, oil demand growth is forecast at around 1.24 m/b, slightly lower than the previous month’s assessment by 50,000 b/d to reach an average of 100.00 m/b. The downward revision is mainly an outcome of lower economic expectations in 2019 for the OECD Americas and Europe, as well as Latin America and the Middle East.

World oil supply — Non-OPEC oil supply growth in 2018 was revised up by 110,000 b/d from the previous month’s report, mainly due to adjustments for US, Canada, Malaysia, China and UK supply, and is now estimated at 2.72 m/b, with total supply averaging 62.17 m/b for the year. Key growth drivers in 2018 were the US with 2.24 m/b, along with Canada, Russia, Kazakhstan, Qatar, Ghana and the UK, while Mexico, Norway and Vietnam showed the largest declines. The non-OPEC oil supply growth forecast for 2019 was also revised up by 80,000 b/d to 2.18 m/b, mainly due to a revised production forecast for the US Gulf of Mexico. Total non-OPEC supply for the year is projected to average 64.34 m/b. The US, Brazil, Russia, the UK, Australia, Kazakhstan and Ghana are expected to be the main drivers, while Mexico, Canada, Norway, Indonesia and Vietnam are projected to see the largest declines. OPEC NGLs and non-conventional liquids are estimated to have grown by 40,000 b/d in 2018 to average 4.98 m/b, and forecast to grow by 90,000 b/d in 2019 to average 5.07 m/b. In January 2019, OPEC crude oil production decreased by 797,000 b/d to average 30.81 m/b, according to secondary sources.

Product markets and refining operations — Global product markets continued to lose ground in January for the second consecutive month. In the US, soaring gasoline stocks, along with poor fuel oil performance affected by lower FCC margins, offset support from strong heating oil demand. In Europe, product markets weakened across the barrel as arbitrage openings into the region pressured margins and out-weighted support from a pick-up in diesel and fuel oil demand. In Asia, weakening naphtha and jet/kerosene markets dragged on margins, as a growing gasoline surplus reduced gasoline margins to a new multi-year low.

Tanker market — Average dirty tanker spot freight rates declined by 28 per cent in January, reversing the profits made in 4Q18. Lower rates were seen in all reported dirty classes, with the drop mainly attributed to thin market activity in general, while vessel supply remains in surplus. Clean tanker spot freight rates also fell due to the general downward trend seen in the tanker market in January. A lack of activity prevailed in the different classes, leading to a drop in average clean tanker spot freight rates by 18 per cent from the month before.

Stock movements — Preliminary data for December showed that total OECD commercial oil stocks fell by 10.8 m/m-o-m to stand at 2.851 m/b. This was 2.5 m lower than the same time a year ago, but 28 m above the latest five-year average. Within the components, crude stocks indicated a surplus of around 50 m/b, while product stocks are 22 m below the latest five-year average. In terms of days of forward cover, OECD commercial stocks rose by 0.3 days m-o-m in December to stand at 59.5 days. This was 0.4 days below the same period in 2017 and 0.8 days below the latest five-year average.

Balance of supply and demand — Demand for OPEC crude in 2018 stood at 1.6 m/b, 1.3 m/b lower than the 2017 level. In 2019, demand for OPEC crude is forecast at 30.6 m/b, around 1.0 m/b lower than the 2018 level.

The feature article and oil market highlights are taken from OPEC’s Monthly Oil Market Report (MOMR) for February 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 graphics and tables on the following pages reflect the latest data on OPEC Reference Basket and crude and oil product prices in general.
Review of global economic development

Global economic growth has slowed and the GDP forecast for 2019 now stands at 3.3 per cent compared to estimate growth of 3.6 per cent in 2018. The deceleration in global economic growth that started in 2H18 is forecast to continue in 1H19, before the growth dynamic picks up again in 2H19. However, the near-term growth trend remains increasingly uncertain as the fiscal stimulus in the US is likely to taper off, China’s slow-down is forecast to continue, issues in the Euro-zone are expected to remain, and India will most likely face lower growth levels in 2019. Moreover, global trade has continued to slow considerably and the outcome of the ongoing US-China trade negotiations remains to be seen. As a result, global economic growth now appears to be slightly skewed to the downside. An important stabilising factor, however, has been the recovery in oil prices since the beginning of the year, with a potentially positive impact on oil producing economies, including major OECD economies such as the US and Canada.

Within the OECD, the US economy continues to benefit from fiscal stimulus, however this is expected to fade over the course of the year. Consequently, growth is forecast at 2.5 per cent in 2019, after growth of 2.9 per cent in 2018. Lower growth is seen in the Euro-zone, with 1.3 per cent for 2019, compared to 1.8 per cent in 2018. Continued challenges in Italy, together with a slowdown in the two largest Euro-zone economies, Germany and France, are expected to lead growth lower in the current year. Also, Brexit-related issues may weigh further on 2019 growth. Meanwhile, Japan is forecast to grow at a much lower level, at 0.7 per cent for both 2019 and 2018. As the government intends to increase the sales tax in 4Q19 and the economy continues to be constrained by very low unemployment and high utilisation rates in the industrial sector, the upside remains limited.

The slowing momentum in the global economy has been reflected in central bank policies, with monetary policies remaining relatively accommodative. This may also support emerging and developing economies for some time and particularly benefit those with weak fiscal situations. Amid softening inflation levels, the Fed’s hiking cycle appears now to be hold until around the end of the year. The ECB has introduced new monetary support facilities and indicated that it will not raise interest rates until at least the end of 2019.

In the emerging economies, India’s 2019 growth forecast stands at 7.1 per cent, after reported growth of 7.3 per cent in 2018. China’s GDP growth in 2019 is forecast at 6.1 per cent, following growth of 6.6 per cent last year.

Some upside may still come from further fiscal and monetary stimulus in China, while trade-related issues remain. Brazil’s growth forecast stands at 1.8 per cent in 2019, after growth of 1.1 per cent in 2018.

Depending on the policy actions by the government, as well as commodity price developments, the country’s growth forecast for 2019 may be revised. Russia’s growth is forecast at 1.6 per cent for 2019, in line with growth seen in 2018.

The slowdown in global economic growth is also expected to contribute to somewhat lower oil demand requirements in 2019. Global oil demand is expected to increase by 1.24 million barrels/day this year, down from growth of 1.43 m b/d last year. The US is expected to lead OECD growth, while in the non-OECD, a slowdown in China is likely to be offset by a recovery in demand growth in the Middle East.

While oil demand is expected to grow at a moderate pace in 2019, it is still well below the strong growth expected in the non-OPEC supply forecast for this year. This highlights the continued shared responsibility of all participating producing countries to avoid a relapse of the imbalance and continue to support oil market stability in 2019.
Crude oil price movements — The OPEC Reference Basket (ORB) rose in February for the second consecutive month, improving by about nine per cent, or $5.09, month-on-month (m-o-m) to average $63.83/b. Oil prices were supported by expectations of tightening oil supply in the coming months amid increased unplanned outages. Crude oil futures prices continued their upward trend to reach levels not seen since last November. ICE Brent was $4.19, or 7.0 per cent, m-o-m higher at $64.43/b, while NYMEX WTI rose by $3.43, or 6.7 per cent, to average $54.98/b. Year-to-date (y-t-d) in February, ICE Brent was $5.25, or 7.8 per cent, year-on-year (y-o-y) lower at $62.24/b, while NYMEX WTI decreased by $9.78, or 15.5 per cent, y-o-y to $53.18/b.

The ICE Brent price structure flattened at the front end of the curve, while backwardation strengthened at the back. DME Oman’s backwardation remained at the back. The ICE Brent price structure moved deeper into contango, mirroring US market overshoot. Hedge funds and other price managers continued to strengthen their bullish positions in ICE Brent, while decreasing their net long positions for NYMEX WTI.

World economy — The global economic growth estimate remains unchanged at 3.6 per cent in 2018 and is also forecast unchanged at 3.3 per cent for 2019. In the OECD, US growth is unchanged at 2.9 per cent in 2018 and projected at 2.5 per cent for 2019. Eurozone growth remains at 1.8 per cent in 2018 and is anticipated at 1.3 per cent for 2019. GDP growth in Japan was revised lower to 0.7 per cent for both 2018 and 2019. In the non-OECD countries, India’s growth forecast was revised lower to 7.3 per cent in 2018 and is now forecast at 7.1 per cent for 2019, also showing a downward revision from the previous month’s assessment. China’s growth forecast remains at 6.6 per cent in 2018 and 6.1 per cent in 2019. Growth in Brazil remains unchanged at 1.1 per cent in 2018 and is forecast at 1.8 per cent in 2019. Russia’s GDP growth forecast is also unchanged at 1.6 per cent for both 2018 and 2019. Risks to global GDP growth continue to be skewed to the downside, as the slowing growth trend seems to be continuing in 1H19.

World oil demand — In 2018, world oil demand is estimated to have grown by 1.43m b/d, down by 40,000 b/d from the previous estimate amid downward revisions in both OECD and non-OECD regions. Oil demand growth in the OECD region was revised lower by 30,000 b/d, due to softer-than-expected demand growth in OECD Europe and Asia Pacific during 4Q18 and despite solid data from OECD Americas, particularly the US. In the non-OECD region, oil demand growth in 2018 was also revised slightly lower by 20,000 b/d, mainly reflecting the slower momentum in Other Asia and the Middle East. For 2019, world oil demand is forecast to grow by 1.24m b/d, unchanged from last month’s projections. As a result, total world oil demand is anticipated to reach 99.96m b/d. Oil demand growth is projected to be driven by Other Asia particularly India, as well as China and OECD Americas. OECD countries are forecast to grow by 240,000 b/d, while non-OECD oil demand is projected to rise by 1.00m b/d in 2019.

World oil supply — Non-OPEC oil supply growth in 2018 was revised up by 30,000 b/d from the previous MOMR, mainly due to higher-than-expected output in Canada in 4Q18, and is now estimated at 2.74m b/d to average 62.19m b/d. The main drivers for growth were the US, Canada, Russia, Kazakhstan and Qatar, while Mexico, Norway and Vietnam showed the largest declines. Non-OPEC supply growth in 2019 was also revised up by 60,000 b/d, due to expected production increases in Canada as of April, as well as higher-than-expected growth in the Sudans. Non-OPEC supply growth in 2019 is forecast at 2.24m b/d to average 64.43m b/d. The US, Brazil, Russia, the UK and Australia are the main drivers, while Mexico, Norway, Indonesia and Vietnam are projected to see the largest declines. OPEC NGLs and non-conventional liquids are estimated to have grown by 40,000 b/d in 2018, unchanged from the previous estimate to average 4.98m b/d, and are forecast to grow by 90,000 b/d in 2019 to average 5.07m b/d. In February 2019, OPEC crude oil production decreased by 221,000 b/d to average 30.55m b/d, according to secondary sources.

Product markets and refining operations — Global product markets reversed the downward trends and exhibited gains in February, after two consecutive months of weakening. In the US, all main products showed a solid positive performance as refinery product outputs declined considerably and led to a fall in inventory levels. In Europe, product markets saw increases across the barrel with the exception of naphtha, supported by inventory drawdowns amid lower product imports. In Asia, support came from the middle and the bottom of the barrel attributed to strong exports, despite prevailing weakness at the top of the barrel due to oversupply.

Tanker market — In February, average dirty tanker spot freight rates declined further by 18 per cent, continuing the downward trend seen a month earlier. Lower rates were seen on all reported dirty classes and most reported routes. The drop in rates came on the back of holidays in the East, reduced port and transit delays, thin market activity in general, and an increase in prompt vessels supply. Clean tanker spot freight rates were equally affected by the weakening trend and the general bearish sentiment.

Stock movements — Preliminary data for January showed that total OECD commercial oil stocks rose by 22m b m-o-m to stand at 2,880m b. This was 4.3m b higher than the same period one year ago and around 19m b above the latest five-year average. Within the components, crude stocks indicated a surplus of 47m b, while product stocks were 27m b below the latest five-year average. In terms of days of forward cover, OECD commercial stocks rose by 0.5 days m-o-m in January to stand at 60.1 days. This was 0.3 days below the same period in 2018 and 0.9 days below the latest five-year average.

Balance of supply and demand — Demand for OPEC crude in 2018 is estimated at 31.5m b/d, which is 1.4m b/d lower than the 2017 level. In 2019, demand for OPEC crude is forecast at 30.5m b/d, around 1.1m b/d lower than the estimated 2018 level.
### Table 1: OPEC Reference Basket spot crude prices

<table>
<thead>
<tr>
<th>Crude/Member Country</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Feb</td>
<td>Mar</td>
</tr>
<tr>
<td>Arab Light — Saudi Arabia</td>
<td>64.03</td>
<td>64.40</td>
</tr>
<tr>
<td>Basrah Light — Iraq</td>
<td>62.31</td>
<td>62.27</td>
</tr>
<tr>
<td>Bonny Light — Nigeria</td>
<td>66.02</td>
<td>67.05</td>
</tr>
<tr>
<td>Djeno — Congo*</td>
<td>62.97</td>
<td>64.08</td>
</tr>
<tr>
<td>Es Sider — Libya</td>
<td>64.36</td>
<td>64.89</td>
</tr>
<tr>
<td>Girassol — Angola</td>
<td>66.09</td>
<td>66.89</td>
</tr>
<tr>
<td>Iran Heavy — IR Iran</td>
<td>62.27</td>
<td>62.15</td>
</tr>
<tr>
<td>Kuwait Export — Kuwait</td>
<td>62.14</td>
<td>62.23</td>
</tr>
<tr>
<td>Meray — Venezuela</td>
<td>57.68</td>
<td>56.94</td>
</tr>
<tr>
<td>Murban — UAE</td>
<td>65.88</td>
<td>66.31</td>
</tr>
<tr>
<td>Oriente — Ecuador</td>
<td>60.28</td>
<td>61.16</td>
</tr>
<tr>
<td>Rabi Light — Gabon</td>
<td>64.19</td>
<td>64.92</td>
</tr>
<tr>
<td>Saharan Blend — Algeria</td>
<td>66.01</td>
<td>66.69</td>
</tr>
<tr>
<td>Zafiro — Equatorial Guinea</td>
<td>65.19</td>
<td>65.91</td>
</tr>
<tr>
<td>OPEC Reference Basket</td>
<td>63.48</td>
<td>63.76</td>
</tr>
</tbody>
</table>

---

### Table 2: Selected spot crude prices

<table>
<thead>
<tr>
<th>Crude/country</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Feb</td>
<td>Mar</td>
</tr>
<tr>
<td>Arab Heavy — Saudi Arabia</td>
<td>61.60</td>
<td>61.49</td>
</tr>
<tr>
<td>Brega — Libya</td>
<td>64.96</td>
<td>65.64</td>
</tr>
<tr>
<td>Brent Dtd — North Sea</td>
<td>65.16</td>
<td>65.89</td>
</tr>
<tr>
<td>Dubai — UAE</td>
<td>62.69</td>
<td>62.76</td>
</tr>
<tr>
<td>Ekofisk — North Sea</td>
<td>65.81</td>
<td>66.63</td>
</tr>
<tr>
<td>Iran Light — IR Iran</td>
<td>62.64</td>
<td>63.44</td>
</tr>
<tr>
<td>Isthmus — Mexico</td>
<td>64.83</td>
<td>65.40</td>
</tr>
<tr>
<td>Oman — Oman</td>
<td>63.00</td>
<td>63.31</td>
</tr>
<tr>
<td>Suez Mix — Egypt</td>
<td>61.31</td>
<td>61.93</td>
</tr>
<tr>
<td>Minas — Indonesia*</td>
<td>58.15</td>
<td>58.90</td>
</tr>
<tr>
<td>Urals — Russia</td>
<td>63.01</td>
<td>63.63</td>
</tr>
<tr>
<td>WTI — North America</td>
<td>62.15</td>
<td>62.76</td>
</tr>
</tbody>
</table>

---

**Notes:**
- **Brent for dated cargoes; Urals cif Mediterranean. All others fob loading port.**
- **Sources:** Argus, Secretariat’s assessments.
Graph 1: Evolution of the OPEC Reference Basket spot crude prices, 2018–19

$/b

Graph 2: Evolution of selected spot crude prices, 2018–19

$/b
### Table and Graph 3: North European market — spot barges, fob Rotterdam

<table>
<thead>
<tr>
<th></th>
<th>naphtha</th>
<th>regular gasoline 50ppm</th>
<th>diesel ultra light</th>
<th>jet kero</th>
<th>fuel oil 1 per cent $</th>
<th>fuel oil 3.5 per cent $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>61.52</td>
<td>82.80</td>
<td>77.45</td>
<td>81.65</td>
<td>55.15</td>
<td>52.04</td>
</tr>
<tr>
<td>March</td>
<td>63.29</td>
<td>79.34</td>
<td>78.64</td>
<td>82.03</td>
<td>55.15</td>
<td>52.00</td>
</tr>
<tr>
<td>April</td>
<td>67.11</td>
<td>90.68</td>
<td>85.49</td>
<td>87.45</td>
<td>58.66</td>
<td>55.61</td>
</tr>
<tr>
<td>May</td>
<td>73.73</td>
<td>96.58</td>
<td>91.30</td>
<td>93.03</td>
<td>65.69</td>
<td>62.64</td>
</tr>
<tr>
<td>June</td>
<td>69.92</td>
<td>93.71</td>
<td>88.75</td>
<td>89.30</td>
<td>65.94</td>
<td>62.70</td>
</tr>
<tr>
<td>July</td>
<td>71.04</td>
<td>93.79</td>
<td>88.00</td>
<td>88.79</td>
<td>67.51</td>
<td>64.45</td>
</tr>
<tr>
<td>August</td>
<td>70.82</td>
<td>95.01</td>
<td>88.49</td>
<td>87.96</td>
<td>65.73</td>
<td>62.59</td>
</tr>
<tr>
<td>September</td>
<td>74.71</td>
<td>95.03</td>
<td>92.86</td>
<td>92.51</td>
<td>67.75</td>
<td>64.72</td>
</tr>
<tr>
<td>October</td>
<td>73.15</td>
<td>91.20</td>
<td>97.18</td>
<td>97.45</td>
<td>73.08</td>
<td>69.67</td>
</tr>
<tr>
<td>November</td>
<td>55.86</td>
<td>76.78</td>
<td>86.35</td>
<td>85.10</td>
<td>62.61</td>
<td>58.71</td>
</tr>
<tr>
<td>December</td>
<td>50.95</td>
<td>67.58</td>
<td>74.59</td>
<td>74.80</td>
<td>53.08</td>
<td>48.88</td>
</tr>
<tr>
<td>January</td>
<td>50.52</td>
<td>68.23</td>
<td>75.24</td>
<td>76.07</td>
<td>54.90</td>
<td>50.38</td>
</tr>
<tr>
<td>February</td>
<td>55.14</td>
<td>74.43</td>
<td>80.75</td>
<td>80.16</td>
<td>61.41</td>
<td>56.66</td>
</tr>
</tbody>
</table>

* FOB barge spot prices.

Source: Argus. Prices are average of available days.

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

<table>
<thead>
<tr>
<th></th>
<th>naphtha</th>
<th>premium gasoline 50ppm</th>
<th>diesel ultra light</th>
<th>jet kero</th>
<th>fuel oil 1 per cent $</th>
<th>fuel oil 3.5 per cent $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>60.54</td>
<td>74.32</td>
<td>78.73</td>
<td>56.29</td>
<td>53.44</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>62.41</td>
<td>74.83</td>
<td>79.81</td>
<td>56.38</td>
<td>53.47</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>66.59</td>
<td>83.43</td>
<td>86.62</td>
<td>59.63</td>
<td>56.90</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>73.32</td>
<td>88.50</td>
<td>92.52</td>
<td>66.57</td>
<td>63.80</td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>69.53</td>
<td>85.99</td>
<td>89.18</td>
<td>67.38</td>
<td>64.27</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>70.74</td>
<td>86.82</td>
<td>89.12</td>
<td>67.56</td>
<td>65.88</td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>70.61</td>
<td>88.59</td>
<td>89.63</td>
<td>66.43</td>
<td>63.97</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>74.54</td>
<td>88.22</td>
<td>93.93</td>
<td>68.74</td>
<td>66.11</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>72.58</td>
<td>83.56</td>
<td>97.91</td>
<td>74.26</td>
<td>70.81</td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>54.99</td>
<td>68.63</td>
<td>86.34</td>
<td>64.22</td>
<td>60.01</td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>49.32</td>
<td>59.95</td>
<td>74.92</td>
<td>54.65</td>
<td>49.67</td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>49.09</td>
<td>60.56</td>
<td>76.38</td>
<td>57.80</td>
<td>51.91</td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>53.98</td>
<td>65.62</td>
<td>82.24</td>
<td>64.13</td>
<td>58.69</td>
<td></td>
</tr>
</tbody>
</table>

* FOB barge spot prices.

Source: Argus. Prices are average of available days.

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

<table>
<thead>
<tr>
<th></th>
<th>regular gasoline unleaded 87</th>
<th>gasoil*</th>
<th>jet kero*</th>
<th>fuel oil 0.3 per cent $</th>
<th>fuel oil 3.0 per cent $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>76.27</td>
<td>75.20</td>
<td>79.96</td>
<td>68.16</td>
<td>55.40</td>
</tr>
<tr>
<td>March</td>
<td>76.67</td>
<td>75.15</td>
<td>79.88</td>
<td>68.49</td>
<td>55.31</td>
</tr>
<tr>
<td>April</td>
<td>83.93</td>
<td>82.00</td>
<td>88.20</td>
<td>73.16</td>
<td>57.68</td>
</tr>
<tr>
<td>May</td>
<td>89.38</td>
<td>87.73</td>
<td>93.51</td>
<td>78.54</td>
<td>64.86</td>
</tr>
<tr>
<td>June</td>
<td>85.29</td>
<td>85.21</td>
<td>89.62</td>
<td>77.31</td>
<td>64.35</td>
</tr>
<tr>
<td>July</td>
<td>86.95</td>
<td>85.04</td>
<td>90.39</td>
<td>82.02</td>
<td>67.99</td>
</tr>
<tr>
<td>August</td>
<td>87.15</td>
<td>86.55</td>
<td>91.21</td>
<td>80.77</td>
<td>65.11</td>
</tr>
<tr>
<td>September</td>
<td>87.45</td>
<td>91.41</td>
<td>94.01</td>
<td>82.60</td>
<td>65.97</td>
</tr>
<tr>
<td>October</td>
<td>85.32</td>
<td>95.12</td>
<td>96.22</td>
<td>86.79</td>
<td>70.44</td>
</tr>
<tr>
<td>November</td>
<td>68.68</td>
<td>83.28</td>
<td>85.54</td>
<td>80.36</td>
<td>62.93</td>
</tr>
<tr>
<td>December</td>
<td>61.24</td>
<td>76.22</td>
<td>79.75</td>
<td>69.75</td>
<td>54.20</td>
</tr>
<tr>
<td>January</td>
<td>59.71</td>
<td>77.82</td>
<td>84.17</td>
<td>71.07</td>
<td>56.00</td>
</tr>
<tr>
<td>February</td>
<td>65.58</td>
<td>82.29</td>
<td>88.05</td>
<td>77.85</td>
<td>64.36</td>
</tr>
</tbody>
</table>

* FOB barge spot prices.

Source: Argus. Prices are average of available days.
### Table and Graph 6: Singapore market — spot cargoes, fob

<table>
<thead>
<tr>
<th></th>
<th>naphtha</th>
<th>gasoline</th>
<th>jet kero</th>
<th>fuel oil 180 Cst</th>
<th>fuel oil 380 Cst</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>61.41</td>
<td>77.02</td>
<td>74.15</td>
<td>77.46</td>
<td>80.01</td>
</tr>
<tr>
<td>March</td>
<td>63.08</td>
<td>77.12</td>
<td>74.25</td>
<td>77.75</td>
<td>79.00</td>
</tr>
<tr>
<td>April</td>
<td>67.14</td>
<td>81.50</td>
<td>78.45</td>
<td>83.72</td>
<td>85.16</td>
</tr>
<tr>
<td>May</td>
<td>74.66</td>
<td>87.60</td>
<td>85.29</td>
<td>89.52</td>
<td>89.93</td>
</tr>
<tr>
<td>June</td>
<td>70.89</td>
<td>83.53</td>
<td>81.50</td>
<td>86.87</td>
<td>86.91</td>
</tr>
<tr>
<td>July</td>
<td>72.25</td>
<td>83.11</td>
<td>81.08</td>
<td>85.55</td>
<td>87.31</td>
</tr>
<tr>
<td>August</td>
<td>71.76</td>
<td>84.83</td>
<td>82.44</td>
<td>87.61</td>
<td>87.31</td>
</tr>
<tr>
<td>September</td>
<td>75.39</td>
<td>89.53</td>
<td>87.51</td>
<td>92.76</td>
<td>91.75</td>
</tr>
<tr>
<td>October</td>
<td>74.90</td>
<td>87.64</td>
<td>85.66</td>
<td>95.97</td>
<td>95.16</td>
</tr>
<tr>
<td>November</td>
<td>57.01</td>
<td>68.65</td>
<td>66.92</td>
<td>81.63</td>
<td>82.97</td>
</tr>
<tr>
<td>December</td>
<td>52.13</td>
<td>60.02</td>
<td>57.98</td>
<td>69.03</td>
<td>71.17</td>
</tr>
<tr>
<td>January</td>
<td>51.96</td>
<td>61.07</td>
<td>59.12</td>
<td>70.79</td>
<td>71.75</td>
</tr>
<tr>
<td>February</td>
<td>56.54</td>
<td>66.27</td>
<td>64.36</td>
<td>77.78</td>
<td>77.93</td>
</tr>
</tbody>
</table>

**2019**

<table>
<thead>
<tr>
<th></th>
<th>naphtha</th>
<th>gasoline</th>
<th>jet kero</th>
<th>fuel oil 180 Cst</th>
<th>fuel oil 380 Cst</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>60.19</td>
<td>75.86</td>
<td>78.30</td>
<td>55.86</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>61.36</td>
<td>75.90</td>
<td>77.14</td>
<td>55.93</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>64.95</td>
<td>81.77</td>
<td>83.40</td>
<td>59.98</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>72.17</td>
<td>87.89</td>
<td>88.14</td>
<td>66.89</td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>68.71</td>
<td>86.72</td>
<td>85.07</td>
<td>67.97</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>70.27</td>
<td>83.95</td>
<td>85.44</td>
<td>69.16</td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>70.40</td>
<td>85.77</td>
<td>85.68</td>
<td>67.66</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>74.16</td>
<td>91.22</td>
<td>89.99</td>
<td>69.31</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>73.48</td>
<td>94.46</td>
<td>93.20</td>
<td>75.16</td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>55.84</td>
<td>79.49</td>
<td>80.91</td>
<td>66.12</td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>49.81</td>
<td>66.28</td>
<td>68.39</td>
<td>54.16</td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>49.91</td>
<td>69.03</td>
<td>69.10</td>
<td>55.78</td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>54.81</td>
<td>76.02</td>
<td>75.86</td>
<td>62.44</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Argus. Prices are average of available days.

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

<table>
<thead>
<tr>
<th></th>
<th>naphtha</th>
<th>gasoline</th>
<th>jet kero</th>
<th>fuel oil 180 Cst</th>
<th>fuel oil 380 Cst</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>60.19</td>
<td>75.86</td>
<td>78.30</td>
<td>55.86</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>61.36</td>
<td>75.90</td>
<td>77.14</td>
<td>55.93</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>64.95</td>
<td>81.77</td>
<td>83.40</td>
<td>59.98</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>72.17</td>
<td>87.89</td>
<td>88.14</td>
<td>66.89</td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>68.71</td>
<td>86.72</td>
<td>85.07</td>
<td>67.97</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>70.27</td>
<td>83.95</td>
<td>85.44</td>
<td>69.16</td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>70.40</td>
<td>85.77</td>
<td>85.68</td>
<td>67.66</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>74.16</td>
<td>91.22</td>
<td>89.99</td>
<td>69.31</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>73.48</td>
<td>94.46</td>
<td>93.20</td>
<td>75.16</td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>55.84</td>
<td>79.49</td>
<td>80.91</td>
<td>66.12</td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>49.81</td>
<td>66.28</td>
<td>68.39</td>
<td>54.16</td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>49.91</td>
<td>69.03</td>
<td>69.10</td>
<td>55.78</td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>54.81</td>
<td>76.02</td>
<td>75.86</td>
<td>62.44</td>
<td></td>
</tr>
</tbody>
</table>

**2019**

<table>
<thead>
<tr>
<th></th>
<th>naphtha</th>
<th>gasoline</th>
<th>jet kero</th>
<th>fuel oil 180 Cst</th>
<th>fuel oil 380 Cst</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>60.19</td>
<td>75.86</td>
<td>78.30</td>
<td>55.86</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>61.36</td>
<td>75.90</td>
<td>77.14</td>
<td>55.93</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>64.95</td>
<td>81.77</td>
<td>83.40</td>
<td>59.98</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>72.17</td>
<td>87.89</td>
<td>88.14</td>
<td>66.89</td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>68.71</td>
<td>86.72</td>
<td>85.07</td>
<td>67.97</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>70.27</td>
<td>83.95</td>
<td>85.44</td>
<td>69.16</td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>70.40</td>
<td>85.77</td>
<td>85.68</td>
<td>67.66</td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>74.16</td>
<td>91.22</td>
<td>89.99</td>
<td>69.31</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>73.48</td>
<td>94.46</td>
<td>93.20</td>
<td>75.16</td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>55.84</td>
<td>79.49</td>
<td>80.91</td>
<td>66.12</td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>49.81</td>
<td>66.28</td>
<td>68.39</td>
<td>54.16</td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>49.91</td>
<td>69.03</td>
<td>69.10</td>
<td>55.78</td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>54.81</td>
<td>76.02</td>
<td>75.86</td>
<td>62.44</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Argus. Prices are average of available days.
OPEC offers a range of publications that reflect its activities. Copies can be obtained by contacting this Department, which regular readers should also notify in the event of a change of address:

PR & Information Department, OPEC Secretariat
Helferstorferstrasse 17, A-1010 Vienna, Austria
Tel: +43 1 211 12-0; fax: +43 1 211 12/5081; e-mail: prid@opec.org

OPEC Bulletin (free of charge)

February 2019

Annual Statistical Bulletin 2018

128-page book. A USB is also available (for Microsoft Windows only) which contains all the data in the book and much more.
• Easy to install and display
• Easy to manipulate and query
Interactive version available at http://asb.opec.org/

OPEC Monthly Oil Market Report (free of charge)

January 2019

• Crude oil and product prices analysis
• Member Country output figures
• Stocks and supply/demand analysis

World Oil Outlook 2018 (free of charge)

December 2018

OPEC Energy Review

Contains research papers by international experts on energy, the oil market, economic development and the environment. Available quarterly only from the commercial publisher. Annual subscription rates for 2015:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Print</th>
<th>Online</th>
<th>Print &amp; Online</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional</td>
<td>615</td>
<td>615</td>
<td>738</td>
</tr>
<tr>
<td>Personal</td>
<td>485</td>
<td>485</td>
<td>582</td>
</tr>
<tr>
<td>Europe €</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK £</td>
<td>814</td>
<td>814</td>
<td>977</td>
</tr>
<tr>
<td>Americas $</td>
<td>949</td>
<td>949</td>
<td>1,139</td>
</tr>
<tr>
<td>Rest of world $</td>
<td>949</td>
<td>949</td>
<td>1,139</td>
</tr>
</tbody>
</table>

Canadian residents, please add five per cent for GST.

Orders and enquiries:
John Wiley & Sons, 9600 Garsington Road, Oxford OX4 2DQ, UK.
Tel: +44 (0)1865 776868; fax: +44 (0)1865 714591; e-mail: cs-journals@wiley.com;
http://onlinelibrary.wiley.com/