

OPEC bulletin 4-5/22



Special edition:

Venezuela

OPEC

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Venezuela: a ‘land of heroes’

Venezuela is central to the history of OPEC. Dr Juan Pablo Pérez Alfonso, the country’s Minister of Energy and Hydrocarbons in the late 1950s, was a leading figure in the push for the formation of the Organization. This led to the stepping-stone of the ‘Maadi Pact’ on the sidelines of the Arab Petroleum Congress in April 1959, and then OPEC’s eventual formation in Baghdad on September 14, 1960.

Following the establishment of OPEC, Pérez Alfonso said: “We are now united. We are making history.” These words proved extremely prescient, for both Venezuela and the then fledgling Organization. Ever since, the stories of both have intertwined.

Venezuela has been at the forefront of OPEC’s decision-making processes, and in the establishment of key documents, such as the original version of the ‘OPEC Statute’ that was approved at the Second Meeting of the OPEC Conference in Caracas in January 1961.

Many generations of distinguished Venezuelan public servants have also taken up the baton passed to them and served the Organization with distinction in various capacities over the past six decades and more, including Dr Francisco R Parra, who was the country’s first OPEC Secretary General in 1968.

Parra was central to the adoption of the landmark ‘Declaratory Statement of Petroleum Policy in Member Countries’, at the 16th Meeting of the OPEC Conference in June 1968. In later years the statement became a byword for a turning point in OPEC’s history, by providing vision and intellectual weight to the Organization’s actions.

The country also held the Second Summit of Heads of State and Government of OPEC Member Countries in September 2000 under the leadership of (then) President, Hugo Chávez, which was a critical milestone in aligning the Organization with the needs of the twenty-first century. In more recent times, Venezuela has been integral to the establishment and successful implementation of the ‘Declaration of Cooperation’ (DoC), and held the Presidency of the OPEC Conference when the ‘Charter of Cooperation’ (CoC) was endorsed in July 2019.

This historical context, and the future of the Venezuela-OPEC relationship, was evident in the recent high-level visit to Venezuela by OPEC Secretary General, Mohammad Sanusi Barkindo, and an accompanying delegation, from May 7–13, 2022.

Barkindo was received by Nicolás Maduro Moros, President of the Bolivarian Republic of Venezuela, at the Miraflores Palace, where the two held a working meeting to discuss ongoing oil market developments. Barkindo commended the extraordinary leadership that President Maduro has played in the formation of the DoC and his unwavering support over the last six years, and the President praised the Secretary

General’s tenure and said he bequeathed a remarkable legacy of accomplishment to future generations.

Barkindo was also bestowed with Venezuela’s highest civilian honour, the *Order of General Francisco de Miranda, first class*. The award recognizes Venezuelan citizens and foreigners who have made an indelible contribution to the progress of the country, with Barkindo acknowledged for his outstanding stewardship of OPEC during an extremely challenging period.

The ever expanding positive ties between Venezuela and OPEC were also on display when Barkindo visited the Ministry of Petroleum, where he was received by Tareck El Aissami, the People’s Minister of Petroleum. Barkindo commended the visionary leadership of El Aissami in proactively stewarding the oil industry and highlighted the positive economic impact of the reforms the Minister has spearheaded, under the guidance of President Maduro.

The Secretary General was also awarded an honorary doctorate from the Venezuelan University of Hydrocarbons on his visit to the Ministry, which he dedicated to his hard working comrades at the OPEC Secretariat.

Talks and meetings were held with many others high-level Venezuelan dignitaries, including Vice-President, Delcy Rodríguez Gómez; Felix Plasencia Gonzalez, Minister of Foreign Affairs; Wilmer Castro Soteldo, Minister of Popular Power for Agriculture and Land; Ali Padron, Minister of Tourism; and Asdrúbal Chávez, President of PDVSA, the group’s Board of Directors and many of the inspirational workers.

As Venezuela has over 40 national parks, covering over 20 per cent of the nation’s territory, no visit there would be complete without experiencing some of the country’s breathtaking natural beauty. The OPEC delegation had the privilege of visiting Canaima National Park, which is a UNESCO World Heritage Site, and location of the Angel Falls, the world’s highest waterfall.

Upon departing, Barkindo reflected upon the remarkable and enduring relationship between the two, and the immense generosity of the Venezuela people. He wished continued success and prosperity to the great and heroic Venezuelan people, who remain a source of inspiration for the rest of the world in their capacity to overcome any adversity.

Barkindo also accentuated that Venezuela is the ‘land of heroes’, outlining how OPEC continues to be inspired by the legacy of the great liberator, Simon Bolivar, Commander Hugo Chavez and President Maduro.

The story of OPEC and Venezuela has a unique history and heritage that has evolved over its more than six decades of existence. Full of personalities, events, stories and deeds that have helped shape the Organization’s path, and a history that will no doubt evolve further in the decades to come. 🌟



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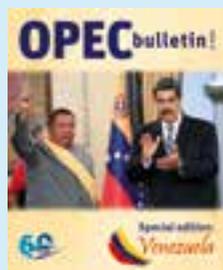
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 This month's cover shows Nicolás Maduro Moros (r), President of the Bolivarian Republic of Venezuela; with Mohammad Sanusi Barkindo, OPEC Secretary General during his visit to Venezuela (see story on page 8).

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OPEC Membership and aims

OPEC is a permanent, intergovernmental Organization, established in Baghdad, on September 10–14, 1960, by IR Iran, Iraq, Kuwait, Saudi Arabia and Venezuela. Its objective – to coordinate and unify petroleum policies among its Member Countries, in order to secure a steady income to the producing countries; an efficient, economic and regular supply of petroleum to consuming nations; and a fair return on capital to those investing in the petroleum industry. Today, the Organization comprises 13 Members: Libya joined in 1962; United Arab Emirates (Abu Dhabi, 1967); Algeria (1969); Nigeria (1971); Angola (2007); Equatorial Guinea (2017). Ecuador joined OPEC in 1973, suspended its Membership in 1992, rejoined in 2007, and suspended its Membership again on December 31, 2019. Qatar joined in 1961 and left on December 31, 2018. Indonesia joined in 1962, suspended its Membership on December 31, 2008, reactivated it on January 1, 2016, but suspended its Membership again on December 31, 2016. Gabon joined in 1975 and left in 1995; it reactivated its Membership on July 1, 2016. The Republic of the Congo joined the Organization on June 22, 2018.



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

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DoC sticks to recovery plan amid new challenges





Mohammad Sanusi Barkindo (r), OPEC Secretary General, at the 28th OPEC and non-OPEC Ministerial Meeting, with Members of the OPEC Management and Secretariat staff (l).



Ministerial Meetings in March and May mark the latest milestones in the Declaration of Cooperation's efforts to address the severe market disruptions spurred by the pandemic.

Meeting two years after the countries participating in the 'Declaration of Cooperation' (DoC) began the most far-reaching production adjustments in oil industry history, OPEC and non-OPEC Ministers in early May stuck to their monthly plan to gradually adjust output.

At the 28th OPEC and non-OPEC Ministerial Meeting (ONOMM) on May 5, the DoC participants decided on a 432,000 b/d adjustment for

June 2022, mirroring action they took at the 27th ONOMM on March 31 to adjust output for May.

In a statement after the 28th ONOMM, Ministers said the “continuing oil market fundamentals and the consensus on the outlook pointed to a balanced market. It further noted the continuing effects of geopolitical factors and issues related to the ongoing pandemic.”

A blueprint for stability

The outcomes of the key Ministerial videoconferences marked the latest in a series of adjustments that were first set in motion at the 19th ONOMM on July 18, 2021. The mid-2021 blueprint marked a significant moment in the DoC’s COVID-19 recovery efforts, with Ministers of the participating countries announcing the upward adjustment of overall production by 400,000 b/d on a monthly basis starting in August 2021.

Also at their mid-2021 videoconference, the DoC Ministers extended their initial two-year window of cooperation on addressing the pandemic’s impact to the end of 2022. The groundwork for the historic two-year response to the pandemic was laid at the 10th ONOMM, held on April 12, 2020.

The World Health Organization (WHO) declared COVID-19 a global pandemic on March 11, 2020. At the time, WHO Director-General, Dr Tedros Adhanom Ghebreyesus, called for “urgent and aggressive action” to contain the virus. The consequent economic lockdowns and other restrictions put in place hammered key oil-consuming sectors, including road transportation and passenger aviation.

Grounded in experience

OPEC and its non-OPEC partners, drawing on the experience gained since the DoC framework was signed on December 10, 2016, reacted quickly. Their actions were underpinned by the support of key stakeholders.

On April 9, 2020, the 9th (Extraordinary) ONOMM reaffirmed the DoC participating countries’ continued commitment to a stable oil market. Argentina, Colombia, Ecuador, Egypt, Indonesia, Norway, Trinidad and Tobago and the International Energy Forum (IEF) participated in the videoconference as observers.

A day later, an Extraordinary G20 Energy Ministers

Meeting took place under the Presidency of Saudi Arabia. The Ministers of leading economies collectively endorsed immediate measures to stabilize the global energy market in response to the pandemic-related slump. In remarks to the videoconference, OPEC Secretary General, Mohammad Sanusi Barkindo, told the Ministers: “There is a huge historic challenge before us, but I firmly believe that is not insurmountable if we work together in solidarity and courage for the common cause of market stability.”

In the end, the G20 Ministers agreed “to use all available policy tools to maintain market stability” and to “ensure that the energy sector continues to make a full, effective contribution to overcoming COVID-19 and powering the subsequent global recovery.”

Then on April 12, 2020, the DoC participating countries ushered in the largest stabilization effort in oil market history. The initial voluntary production adjustments of 9.7 million barrels/day (m b/d) for both May and June, or about ten per cent of world demand, were followed by gradual reductions in the adjustment levels over two years.

Also at the outset of the crisis, some OPEC Member Countries — led by Saudi Arabia, the United Arab Emirates (UAE) and Kuwait — along with non-OPEC DoC participant Oman offered additional voluntary adjustments to help rebalance the market. These volumes, totalling around 1.2m b/d, contributed to reducing the risk of stocks reaching tank tops and offered reassurance and confidence to the market.

Despite these collective efforts, the lockdowns and the deadly impact of the pandemic continued to roil commodity markets. The West Texas Intermediate (WTI) contract for May 2020 nosedived into negative territory for the first time ever on April 20, hitting nearly minus \$38/barrel before recovering. The day was dubbed ‘Black Monday’ by the oil industry.

Focusing on balance and stability

But by early 2022, the oil market had staged a solid recovery. Following growth of around 5.7m b/d in 2021, demand was on a course to exceed pre-pandemic volumes and average more than 100m b/d for 2022. In their first meeting of 2022, DoC participants reaffirmed the plan mapped out in July 2021 with an eye on ensuring a stable and balanced market in the new year.



OPEC held the 27th and the 28th OPEC and non-OPEC Ministerial Meetings via videoconference.

However, geopolitical tensions and mounting economic pressures — including a surge in inflation, and global supply chain gridlock — presented challenges by the second quarter of 2022. Regionalized COVID-19 lockdowns in key finance and manufacturing centres of China also posed a risk to global economic growth.

The OPEC Monthly Oil Market Report (MOMR), released between the 27th and 28th ONOMMs, saw the world economy growing more slowly than previous projections. The April MOMR pegged economic growth at 3.9 per cent this year versus 4.2 per cent in the previous monthly report (subsequently revised down further

to 3.5 per cent in the May MOMR), noting significant risks to the downside. This comes on the heels of a 5.8 per cent expansion in 2021, a sharp rebound from the 4.1 per cent freefall in 2020.

Oil demand growth for 2022 was revised down by 500,000 b/d, to 3.7m b/d (now at 3.4m b/d in the May MOMR), which compares with a robust increase of 5.7m b/d in 2021.

OPEC and participating non-OPEC oil producing countries in the DoC will next meet again on June 2, to discuss and assess any developments over the previous month. 

Barkindo returns to Venezuela: the ‘land of heroes’

During his tenure as OPEC Secretary General, **Mohammad Sanusi Barkindo**, has visited Venezuela six times. His final mission to the country in his capacity as Secretary General was akin to an emotional homecoming, with Barkindo awarded the country’s highest civilian honour, the Order of General Francisco de Miranda, first class, by the President of the Bolivarian Republic of Venezuela, Nicolás Maduro Moros, as well as an Honorary Doctorate by the Venezuelan Hydrocarbon University. The OPEC Bulletin files this report from the mission.



If not for the travel restrictions due to the COVID-19 pandemic, Mohammad Sanusi Barkindo, would likely have visited Venezuela every year during his six-year tenure as OPEC Secretary General. Missions took place in October 2016, January 2017, February 2018, January 2019, September 2021 and May 2022.

This is a reflection of the unique role Venezuela has played in the history of the Organization over the last 62 years. It is also indicative of the depth of affection that Barkindo feels for the land of the Great Liberator, Simon Bolivar.

Barkindo’s arrival at the Simon Bolivar de Maiquetía International Airport in La Guaira State was broadcast live on Venezuelan State TV. He was graciously received by the People’s Minister for Productive Agriculture and Land, Wilmar Castro Soteldo.

Others present were the Governor of the State of La Guaira, José Alejandro Terán; Ramón Velásquez Araguayán, the President of Conviasa, Venezuela’s largest airline and flag carrier; Yomana Koteich, Senior Advisor to the Minister of Petroleum; and Astrid Da Costa, Head Office of the Minister of



Nicolás Maduro Moros (r), President of the Bolivarian Republic of Venezuela; with Mohammad Sanusi Barkindo, OPEC Secretary General.

Petroleum. Eng Angel Gonzalez Saltron, Venezuela's Governor for OPEC, and Eng Ronny Romero, National Representative, were also in attendance and present for many of the Secretary General's engagements during the Mission.

Orchestral arrival

The welcoming ceremony involved a performance by the Afro-Venezuelan Choir of Venezuela's National System of Children and Youth Orchestras (El Sistema). El Sistema is a music education initiative for young people across

Venezuela, particularly those who live below the poverty line. The programme was founded by educator, musician and activist Jose Antonio Abreu, with a group of fellow musicians in 1975, inspired by the principles of Simon Bolivar.

As UNESCO's website explains: "This project is meant to incorporate children and teenagers in vulnerable situations or extreme poverty into the National System of Children and Youth Orchestras by creating, equipping, developing, supervising and assessing regional orchestras and choirs for children and teenagers, as well as artisanal workshops with musical instruments, giving



Mohammad Sanusi Barkindo (centre l) with Wilmar Castro Soteldo (centre r), the People's Minister for Productive Agriculture and Land.

priority to people with disabilities, children whose rights have been infringed upon, and people living in poverty, to achieve a significant improvement in the quality of life of participants, their families and communities, by using music as a cohesion and

social integration strategy, providing the population with activities that allow them to attain development in a socially-minded democracy by establishing and adequate, productive use of spare time.”

UNESCO continues: “The widespread expansion of social measures and music education that is El Sistema, seen from a functional, educational, artistic and administrative perspective, has been made possible by setting up local centres and modules in all 24 states of the federal territory.

“There are currently 440 centres and 1,340 modules across the country, where children, teenagers and young adults are looked after by an academic staff made up of 10,191 teachers distributed across 24 states, and based, most of them, in the schools to support the Simón Bolívar Project for the teaching of orchestral and choir music. The entity currently has 1,210 orchestras and 372



choirs for youths and children.”

One of the most moving pieces of music the talented young people played to welcome the delegation was the patriotic song called ‘Venezuela’, written by Pablo Herrero and José Luis Armentero. It is a beautiful song reflecting the stunning natural splendor of the country. The lyrics are particularly emotive, with the concluding lines:

*De los montes quiero la inmensidad
y del río la acuarela
y de ti los hijos que sembrarán
nuevas estrellas...*

*Y si un día tengo que naufragar
y el tifón rompe mis velas
enterrad mi cuerpo cerca del mar
en Venezuela*

Which translates as:

*From the mountains I want their immensity
and from the river its colours
and from you the children who will sow
new stars.*

*And if one day I must be shipwrecked
and the typhoon breaks my sails
bury my body near the sea
in Venezuela.*

Mohammad Sanusi Barkindo was welcomed by the Afro-Venezuelan Choir of Venezuela’s National System of Children and Youth Orchestras (El Sistema).





Asdrúbal Chávez (r), President of PDVSA; with Mohammad Sanusi Barkindo.



Asdrúbal Chávez, President of PDVSA.



Barkindo also met a group of PDVSA workers from Petrocedeño.





Mohammad Sanusi Barkindo (l), was accompanied by Olorundare Philip Awoniyi (r), Ambassador of the Federal Republic of Nigeria to Venezuela.

‘José Antonio Anzoátegui’ petrochemical complex

The OPEC delegation visited the ‘Jose Antonio Anzoátegui Petrochemical Complex’ in Anzoátegui State. Barkindo was received by Asdrúbal Chávez, President of PDVSA. Deputy Minister of Hydrocarbons, Erick Pérez, and Olorundare Philip Awoniyi, Ambassador of the Federal Republic of Nigeria to Venezuela were also in attendance. The Secretary General held a meeting with members of the Board of Directors of PDVSA and had an opportunity to meet PDVSA workers.

The complex is composed of four main upgraders and a petrochemical plant. PDVSA presented on the main investment opportunities in Venezuela in exploration and production, gas and refining. There are currently 46 opportunities with regard to production, including oil field

exploitation operations, drilling, the rehabilitation of wells, and service infrastructure. There are six opportunities with regard to gas field exploitation operations, gas industry infrastructure and gas compression. There are ten opportunities in refining, including integrated services, procurement and construction, as well as in operation and maintenance.

Barkindo commended the leadership of Venezuela, the management of PDVSA and the heroism of PDVSA workers who have done an outstanding job in supporting the recovery of the country’s oil industry. There have been extensive improvements to the complex over the last two years. This constitutes a monumental achievement given the extremely challenging conditions.

Asdrúbal Chávez paid tribute to the six eventful years of impactful leadership of OPEC that Barkindo has provided and his strong support for the industry in Venezuela. He expressed gratitude for the role OPEC has played in market stabilization efforts under the ‘Declaration of Cooperation’ (DoC).

Barkindo held a meeting with members of the Board of Directors of PDVSA; also present were Eng Angel Gonzalez Saltron (l), Venezuela’s Governor for OPEC; and Eng Ronny Romero (second l), Venezuela’s National Representative to OPEC.





Tareck El Aissami, Venezuela's People's Minister of Petroleum.

Tareck El Aissami (r), during the meeting with the OPEC Secretariat delegation, headed by Mohammad Sanusi Barkindo (l), OPEC Secretary General.

Bilateral meeting with Minister El-Aissami

On Wednesday, May 11, 2022, the Secretary General visited the Ministry of Petroleum of the Bolivarian Republic of Venezuela, where he was received by Tareck El Aissami, the People's Minister of Petroleum. The Minister and Barkindo held a bilateral meeting, with Felix Plasencia Gonzalez, Minister of Foreign Affairs, and Asdrúbal

Chávez, President of PDVSA, and other Venezuelan dignitaries in attendance.

At the meeting, El Aissami thanked Barkindo for his outstanding leadership during six of the most eventful years in the history of the oil industry. In particular, he thanked him for his strong commitment to strengthening the cohesion of the Organization and advancing the welfare and interests of Venezuela.



Moving tribute from El Aissami

Following the meeting, a ceremony was held in Salon Simon Bolivar, with members of the Ministerial Cabinet, representatives from PDVSA, members of the diplomatic corps, including OPEC and non-OPEC Ambassadors accredited to Caracas, members of the Venezuelan Oil Chamber and the Venezuelan Hydrocarbons Association, and the Academic Board of the Venezuelan University of Hydrocarbons, in attendance.

Former OPEC Secretary General, Dr Álvaro Silva Calderón (July 1, 2002–December 31, 2003), was also in attendance. Dr Silva Calderón had been part of the consultative commission of the Ministry of Petroleum during the management of Dr Juan Pablo Pérez Alfonso, a Founding Father of OPEC.

El-Aissami delivered a moving tribute to the Secretary General. He said: “I want to talk to you about this exceptional man, diplomat *par excellence*, whose actions have given him world stature, our current Secretary General of OPEC, Mohammad Sanusi Barkindo. To offer him a simple tribute to celebrate another chapter of a full and fruitful life, within the framework of this important stage: as it is the closing of his brilliant cycle in front of OPEC, after two of the most extraordinary periods that we have experienced within our Organization.”

Throughout these years in which he has held the position of OPEC Secretary General, he said, “we highlight not only his technical and political sagacity in the performance of his management, which had to go through difficulties in the world oil industry, but also his great human and professional qualities in playing such an important role. We recognize and salute his great ability to face

difficult situations, highlighting especially the marked human and personal sensitivity that characterizes him as a long-time politician and diplomat.”

The Minister continued by saying: “His ability to reach consensus and overcome obstacles demonstrated the spirit from which he is made and his temperament in steering crises. But above all, his long-term vision has allowed OPEC to anticipate events and foresee the magnitude of the complex situations that we have had to face up to now, in a difficult time, marked by uncertainties.”

The Minister also described the genesis of the DoC, explaining: “In 2016, OPEC supported the proposal promoted by President Nicolás Maduro Moros to create an alliance with those producing countries allied in the oil business, what we know today as OPEC+, whose joint



Tareck El Aissami (l), Venezuela's People's Minister of Petroleum; with Mohammad Sanusi Barkindo.



Tareck El Aissami (l); with Mohammad Sanusi Barkindo (r), receiving the honorary doctorate.



Mohammad Sanusi Barkindo (third l), OPEC Secretary General, was awarded an honorary doctorate from the Venezuelan University of Hydrocarbons.

actions have brought notable stability to the world economy and the market.”

The Minister quoted remarks made by the Secretary General on December 10, 2019, when he said: “We at OPEC see sanctions as distortions to the efficient functioning of the market. The oil that Venezuela produces and exports belongs to the peoples of the world ... this means that the imposition of sanctions on Venezuela is also the imposition on OPEC, on other exporting countries and, in general, on the world of the oil industry. We at OPEC demonstrate our solidarity with President Nicolás Maduro, the government, and the Venezuelan people.”

Honorary doctorate

At the ceremony, the Academic Board of the Venezuelan University of Hydrocarbons awarded the Secretary General an honorary doctorate in recognition of his lifetime of service in the oil market. In presenting the honour, the Dean of the Academic Board commended Barkindo for his unwavering support for Venezuela throughout his career. The event was televised by national state media.

On receiving this award, Barkindo said: “After listening to your words carefully, I must confess that I am speechless. I would like to stand on previous protocols to recognize, our dear comrade, compatriot, Félix Plasencia; comrade Asdrúbal Chávez, President of PDVSA ... and I would like to recognize my boss Calderón, Silva Calderón; I am very grateful for the honour and for this tribute that you have given me.”

He continued: “To be present here, in this great surprise that Tareck has given me, in this distinguished meeting. The Minister and I had not seen each other for a long time, but I fondly remember the times you have visited OPEC, in Vienna, I remember of course your friendship, your generosity. You are one of the legends of this great country, of the Liberator Simón Bolívar, the land of Commander Hugo Chávez, whose memory has been bequeathed to his caliph, President Nicolás Maduro, and of course, I cannot forget the land of Pérez Alfonso, the founder of OPEC.”

The Secretary General also relayed an anecdote from his earlier tour of the José Antonio Anzoátegui petrochemical complex:

“This is truly the country of great men and great women. I told Tareck this morning that I learn something new every day. When I went to visit Asdrúbal Chávez, at the José Antonio Anzoátegui petrochemical complex, in Barcelona, and then he introduced me to the president of this petrochemical company, Simón ... he [Simon] shook my hand and said: ‘Mr Secretary General, welcome to the land of heroes!’ I was moved by these words of Simón, but at the time, I did not fully understand the meaning of what he was telling me.

“That was until Asdrúbal took me to a meeting and I saw a very complete presentation of the best recovery I have seen in the history of the oil industry, of the transformation of the industry, the transformation of that complex, José Antonio Anzoátegui, in Barcelona, which they did in only two years. This transformation was made by the sons and daughters of this great country under the most difficult conditions. After hearing that comprehensive presentation, he took me to meet the workers, and I saw their faces and greeted them.



Mohammad Sanusi Barkindo (r), receiving the honorary doctorate from Tareck El Aissami (l), Venezuela’s People’s Minister of Petroleum.

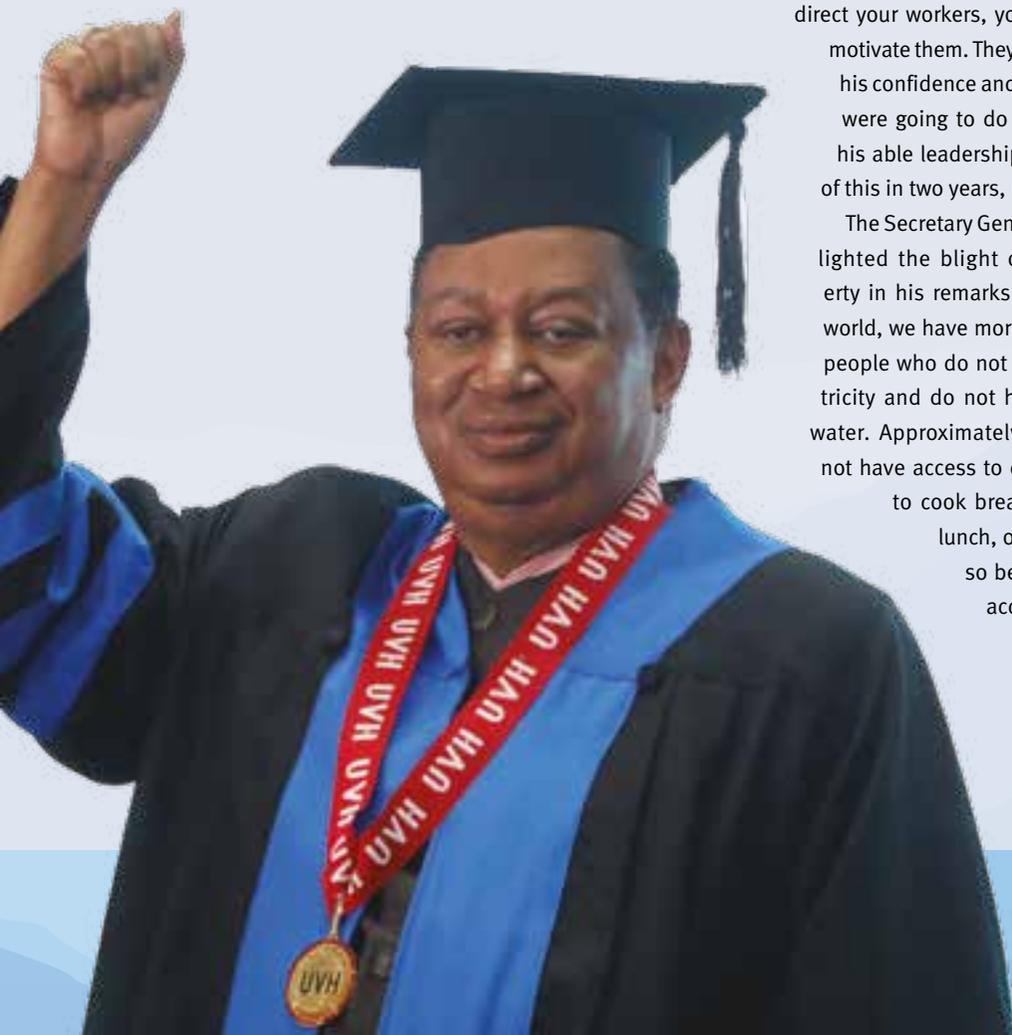
And I saw them pleased, I saw happiness on their faces and I also saw pride, national pride. I saw confidence in every one of them, and so I said to Asdrúbal, I whispered to him, ‘Well, now I know what Simon meant when he welcomed me to the land of heroes’.”

Barkindo commended El Aissami for his leadership. “Your Excellency, you have done wonders for this great country, when they are attacked with the most severe sanctions I have seen in this modern age, almost a lockdown, and you can provide leadership. You

direct your workers, your people, you motivate them. They have regained his confidence and decided they were going to do it, and under his able leadership, they did all of this in two years, record time.”

The Secretary General also highlighted the blight of energy poverty in his remarks. “Today, in this world, we have more than 600 million people who do not have access to electricity and do not have access to drinking water. Approximately 2.6 billion people do not have access to domestic gas to be able to cook breakfast for their families, lunch, or dinner, they cannot do so because they do not have access to domestic gas.

“Under the auspices of the United Nations, it passed a resolution for the Sustainable Development Goals.





Above and below: Mohammad Sanusi Barkindo met with Delcy Rodríguez Gómez, Venezuela's Vice-President.

In these United Nations Goals, SDG 7 says that from now on, access to energy by all the peoples of the world, whether they are in Caracas, in New York, in California, in Vienna, in Nigeria, in Japan, in any part of the world, it is a right, it is not a privilege.

“This is what we take for granted ... access to energy is a right for everyone, regardless of the sanctions that have been imposed on Venezuela, which are sanctions that have been imposed on the whole world, they are sanctions against those 600 million people,” he said.

Barkindo dedicated the honorary doctorate to his colleagues at the OPEC Secretariat, emphasizing that successes at OPEC are attributable to teamwork and a spirit of collegiality.

Meeting with the Vice-President

The Secretary General met with Delcy Rodríguez Gómez, Vice-President of the Bolivarian Republic of Venezuela. He commended the Vice-President for her remarkable support of OPEC’s market stabilization efforts, particularly in her role as Foreign Minister during the challenging year of 2016, which culminated in the adoption of the DoC.

The Vice-President commended Barkindo for his





The OPEC Secretary General (second l) laid a floral wreath at the memorial of the liberator, Simon Bolivar, at the National Pantheon in Caracas.



stellar work at the helm of OPEC, guiding the Organization through challenging times. Barkindo emphasized his desire to “to continue supporting and defending ideas and continue protecting the interests of Venezuela.”

National Pantheon of Venezuela

On May 12, the Secretary General laid a floral wreath at the memorial of the liberator, Simon Bolivar, at the National Pantheon in Caracas. He paid homage alongside Felix Plasencia Gonzalez, Asdrúbal Chávez and Eng Angel Gonzalez Saltron.

The Pantheon is located in the northern edge of the old town of Caracas. It was originally built as a church, but in the 19th century became the location to conserve the remains of national heroes and other eminent people. The central nave is dedicated to the great liberator, Simon Bolivar, with his bronze sarcophagus as the centerpiece.

The vault of the pantheon is adorned with paintings depicting scenes from the liberator’s life. It was reopened in 2013, after a restoration project that lasted three years.

Barkindo bestowed with Venezuela’s Highest Civilian Honour

The final engagement of the mission was the most prestigious: an audience with President Maduro at

the Miraflores Palace in Caracas. The President and Secretary General held a private meeting where they discussed current market developments, the seven price cycles in OPEC’s history and the critical contribution that Venezuela has made during the more than six decades of OPEC’s existence. Cilia Flores, the First Combatant (*la primera combatiente*) and El Aissami, were also in attendance.

President Maduro presented Barkindo with the highest civilian honour in Venezuela, the *Order of General Francisco de Miranda, first class*. The award recognized his outstanding stewardship of OPEC for the last six years. The ceremony was televised live by the Venezuelan national broadcaster and attended by high-level Venezuelan dignitaries and members of the diplomatic corps resident in Caracas.

The Order of Francisco de Miranda is conferred by the Bolivarian Republic of Venezuela in memory of Francisco de Miranda, Venezuela and Latin American independence hero, who is considered one of the most influential Venezuelans in modern history. He is regarded as a forerunner of Simon Bolivar and is known as the ‘First Universal Venezuelan’. He participated in three major movements of his time: the American Revolutionary War; the French Revolution and the Spanish-American wars of Independence.

The national honour recognizes Venezuelan citizens and foreigners who have made an indelible contribution



President Maduro presented Barkindo with the highest civilian honour in Venezuela, the Order of General Francisco de Miranda, first class.



Venezuela and Latin American independence hero, Francisco de Miranda.

to the progress of the country, exemplifying outstanding merits. President Maduro praised the Secretary General

as an “exceptional leader”, who had been instrumental in navigating the oil industry through two oil price cycles: the 2014–16 downturn caused by supply outpacing demand and the huge 2020 contraction of oil demand due to the COVID-19 pandemic.

President Maduro commended Barkindo’s lifetime commitment to combatting energy poverty, a scourge of our age. He praised his advocacy that nobody on the planet should be left behind in the energy transition.

President Maduro said that the Secretary General will bequeath a remarkable legacy of accomplishment to future generations. He underscored Venezuela’s commitment to defend and continue its support of OPEC. He congratulated Barkindo for a “mission accomplished”.



Former President of Venezuela, Commander Hugo Chávez.



The Venezuelan President (c) and the OPEC Secretary General, held a private meeting where they discussed oil market developments.

Barkindo commended the extraordinary leadership that President Maduro played in the formation of the DoC in 2016. The President engaged with a broad range of world leaders to rally support for the unique cooperation with ten non-OPEC oil producing countries.

Barkindo praised Venezuela for a monumental recovery in its economy and oil industry despite extreme circumstances. This is testimony to the dedication and professionalism of Venezuela's leadership and workers.

The Secretary General stressed that Venezuela is the 'land of heroes'. He outlined how OPEC continues to be inspired by the legacy of the great liberator, Simón Bolívar, Commander Hugo Chávez and President Maduro.

Barkindo thanked President Maduro for his unwavering support over the last six years. He wished continued success and prosperity to the great and heroic Venezuelan people, who remain a source of inspiration for the rest of the world in their capacity to overcome any adversity.

Barkindo again dedicated the award to his colleagues at the OPEC Secretariat, saying it was a privilege to be part of a team of such talented and committed professionals. He also expressed his deep and abiding

affection for Venezuela, a beautiful country, which has a glorious history and a bright future ahead of it.

Successful mission

The mission reaffirmed the depths of the bonds between OPEC and Venezuela. The Organization is proud of the role Venezuela has played in its founding, development and many successes over almost 62 years.

The beauty of the country and the warmth and friendliness of the great Venezuelan people meant that this Mission offered memories to cherish for a lifetime.

As the OPEC delegation departed for the return journey to Vienna, the immortal lyrics from the great song echoed in their ears:

*And if one day I must be shipwrecked
and the typhoon breaks my sails
bury my body near the sea
in Venezuela.*



Photographs, unless otherwise credited, courtesy of the Venezuelan People's Ministry of Petroleum.





Venezuela and OPEC: A brief history

As a Founder Member of OPEC, Venezuela was integral to the Organization’s formation in 1960 and it has played a crucial role in its subsequent successes over the past 60 plus years. The OPEC Bulletin looks back on Venezuela’s contribution to OPEC, referencing some of the key events that have shaped this history.



Dr Juan Pablo Pérez Alfonso.

Looking back on the decade prior to the formation of OPEC on September 14, 1960, Venezuela was at the forefront of evolving relations between oil producing developing nations, and helping shape what the Organization would eventually become.

In his book, *A History of O.P.E.C.*, published in 1971, Iran’s head of delegation to the 1st Meeting of the OPEC Conference in Baghdad and the Organization’s first Secretary General, Dr Fuad Rouhani, said that beginning in 1949, Venezuela “embarked on a policy of establishing contact and arranging a regular exchange of information with the producing countries of the Middle East.”

Rouhani labelled it a “rapprochement with the Middle Eastern oil-exporting countries, in order to have allies

rather than rivals in that region of growing importance.”

Dr Alirio Parra, Venezuela’s Energy and Mines Minister from 1992–94, a close assistant to one of OPEC’s architects and Venezuela’s Minister of Energy and Hydrocarbons in the late 1950s, Dr Juan Pablo Pérez Alfonso, concurred in an interview with the *OPEC Bulletin* in September 2010. He said: “There were a number of factors pushing us towards some kind of manifestation for securing the national interests of the oil-producing countries.”

It was in 1959 that an opportunity arose to consolidate these relationships. In January of that year, Shell reduced the price of West Texas crude by 15¢/barrel. The following month it then initiated a similar reduction in the posted prices of comparable Venezuelan crudes, and a few days later, British Petroleum instigated an 18¢/b reduction in Middle East crude postings.

According to Daniel Yergin, in his acclaimed book on the history of oil, *The Prize: The Epic Quest for Oil, Money*

and Power, the decisions galvanized oil-exporting countries into action and this came to a head on the sidelines of the first Arab Petroleum Congress in April 1959.

The Venezuelan delegation, headed by Pérez Alfonzo, alongside another key architect, Abdullah al-Tariki of Saudi Arabia, and other senior Arab and Iranian oil officials, held several secret meetings at a local yacht club in the Cairo suburb of Maadi.

Pérez Alfonzo gave his version of events to A Parra who recounted these conversations. He said Pérez Alfonzo had gone to Cairo with a purpose, which was to see “if the oil-producers could, in some form or other, get together.”

A Parra said that it was “really was cloak and dagger stuff,” and it eventually led to a loose agreement, or a ‘Gentlemen’s Agreement’, with Iran, Iraq, Kuwait and Saudi Arabia. This has since become known as the ‘Maadi Pact’.



The five Founding Fathers of OPEC were: Dr Juan Pablo Pérez Alfonzo of Venezuela; Abdullah Al-Tariki of Saudi Arabia; Dr Tala’at al-Shaibani of Iraq; Dr Fuad Rouhani of Iran; and Ahmed Sayed Omar of Kuwait.

OPEC’s birth

For many OPEC historians, the developments in Cairo could be described as the harbinger of the Organization. Over the next year or so, further consultations ensued that eventually led to the seminal ‘Baghdad Conference’ from September 10–14, 1960.

On the last day of this meeting the five Founding Fathers of OPEC, Pérez Alfonzo of Venezuela; al-Tariki of Saudi Arabia; Dr Tala’at al-Shaibani of Iraq; Dr Fuad Rouhani of Iran; and Ahmed Sayed Omar of Kuwait gathered together in the Al-Shaab Hall in Baghdad and brought the Organization into being.

Following the establishment of OPEC, Pérez Alfonzo said: “We are now united. We are making history.” These words proved extremely prescient.

The initial resolution signaled a fundamental change for the global oil industry, signifying that oil-producing countries were no longer willing to tolerate ‘business as usual’. In an interview with the *OPEC Bulletin* in September 2010, the then OPEC Secretary General, Abdalla Salem El-Badri, said the Five Founder Members “took a very courageous action when they said that enough was enough and they set up OPEC to defend their legitimate interests. In the context of the times, which were very different to those of today, this in itself was a major achievement.”

Venezuela at OPEC

Subsequent generations of distinguished Venezuelan public servants have taken up the baton passed to them and have served the Organization with distinction in various capacities in the period since.



Dr Alirio A Parra, Minister of Energy and Mines, Venezuela (February 29, 1992–February 1, 1994).

This has included Venezuela assuming the mantle of OPEC Secretary General on four occasions. The first was Dr Francisco R Parra from January 1, 1968, to December 31, 1968. F Parra was central to the adoption of a landmark document in 1968, the ‘*Declaratory Statement of Petroleum Policy in Member Countries*’, at the 16th Meeting of the OPEC Conference in Vienna from June 24–25.

In later years’ the ‘Declaratory Statement’ became a byword for a turning point in OPEC’s history and in the policies of its Member Countries, by providing vision and intellectual weight to OPEC’s actions.

The second Venezuelan Secretary General was Dr Arturo Hernández Grisanti, who was OPEC Conference President from January 1, 1986, to June 30, 1986, and at the same time was given a mandate to supervise the Secretariat.

Grisanti was also part of the OPEC initiative in 1986, alongside Dr Subroto from Indonesia and Dr Rilwanu Lukman from Nigeria, which undertook shuttle diplomacy that year to producers outside of OPEC to better understand market participants. They became known as ‘The Three Wise Men’ as they embarked on what could be deemed a type of global dialogue to help return stability to the market.

Then in the early 2000s, Dr Alí Rodríguez Araque and Dr Alvaro Silva Calderón served as Secretary General from January 1, 2001–June 30, 2002 and July 1, 2002–December 31, 2003, respectively.

Venezuela has also served as OPEC Conference President on 20 occasions, and Caracas has been host to Meetings of the OPEC Conference five times.

Second OPEC Summit

One of the most significant events in the history of the Organization was the Second Summit of Heads of State and Government of OPEC Member Countries, held in Caracas, Venezuela, from September 27–28, 2000. It came a quarter of a century after the First Summit that was held in Algiers in 1975.

Shortly before the Summit, the then Conference President, Rodríguez Araque, and Venezuela’s Minister of Energy and Mines, said: “The purpose of the Second Summit is to take a fresh look at OPEC’s aims and objectives, its institutions, its procedures and its achievements, to see whether they match up to the evolving demands and requirements of the 21st century. Where we find shortcomings, we shall seek to rectify them, so that a stronger and more focused Organization emerges for the years ahead.”

The importance of the event was further emphasized in a speech delivered to the Summit by the former President of Venezuela, Commander Hugo Chávez Frías, whose enduring legacy for OPEC continues to be felt to this day. He said: “It was precisely here, in Caracas, where the Statute of the Organization of the Petroleum Exporting



Dr Francisco R Parra, OPEC Secretary General, January 1, 1968–December 31, 1968,



Dr Arturo Hernández Grisanti, OPEC Secretary General, January 1, 1986–June 30, 1986.



The Second Summit of Heads of State and Government of OPEC Member Countries, held in Caracas, Venezuela, from September 27-28, 2000.

Countries was approved, in January of 1961. I was barely born at that time.”

He continued with a reflection on the 40 years of cooperation and success of OPEC, commenting: “OPEC in these 40 years, the first 40 years, has discharged its

objectives and today we are re-launching to continue discharging more effectively our objectives and to update them; to join the new path and write the new history of this new century.”

Only a year later, President Chávez Frías visited the OPEC Secretariat in Vienna and noted that the Second



Dr Alí Rodríguez Araque, OPEC Secretary General, January 1, 2001– June 30, 2002.



Dr Alvaro Silva Calderón, OPEC Secretary General, July 1, 2002– December 31, 2003.



OPEC Summit had gone a long way in developing relations among OPEC nations and had offered a “wonderful opportunity to show our people to the world.”

The concluding Second Solemn Declaration accommodated the new challenges that had arisen over the previous 25 years, placing them in the context of the overall vision and objectives of the Organization. This included adding environmentalism, broadening out the concept of economic development to embrace the key component of sustainability, and at the same time placing a heavy stress on eradicating poverty.

Declaration of Cooperation

In recent times, Venezuela has also been an active participant in the ‘Declaration of Cooperation’ (DoC) between OPEC and non-OPEC producers.

The DoC was initially set-up at the end of 2016 to tackle the grave oil market downturn of 2014–16, with Venezuela a key advocate of the cooperation with the steadfast support and wise counsel of Nicolás Maduro, President of the Bolivarian Republic of Venezuela, a key element of bringing together OPEC and non-OPEC producers in the DoC.

In the years that followed, Venezuela continued to be an outspoken champion of these efforts, a consensus builder, a valued member of the Joint Ministerial Monitoring Committee, and in 2019 it held the Presidency of the OPEC Conference.

It proved to be a successful year for OPEC and the DoC, ably guided by the Venezuela Conference Presidency, and the year is also remembered for the clear endorsement of the ‘Charter of Cooperation’ (CoC) at the Ministerial Meetings in July 2019.

The CoC is an innovative and inclusive framework longer term framework that aims to evolve oil’s role in an ever-shifting global energy mix, advance the environmental credentials of oil and boost energy efficiency across the value chain. The CoC is a great legacy for the Venezuelan

Presidency of OPEC in 2019; one that the country, government and people of Venezuela should be proud of.

The strength and commitment from Venezuela to the



The former President of Venezuela, Commander Hugo Chávez Frías (c and above), during a visit to the OPEC Secretariat in Vienna, Austria.



Nicolás Maduro Moros, President of the Bolivarian Republic of Venezuela, with Mohammad Sanusi Barkindo, OPEC Secretary General.

DoC in 2019 also helped the group shoulder yet another major crisis with the onset of the COVID-19 in 2020.

The DoC proved to be the best mechanism to initiate production adjustments, the largest in the history of the oil industry, and for the longest duration, in April 2020 to help tackle the unprecedented and sudden oil market downturn.

The story of OPEC and Venezuela has a unique history and heritage that has evolved over its more than six decades of existence. Full of personalities, events, stories and deeds that have helped shape the Organization's path, and a history that will no doubt evolve further in the decades to come.

A rich history

As a Founder Member and the birthplace of OPEC's Statute, Venezuela has always understood the goals and ambitions of the Organization.

This was clearly evident in the photo exhibition that the Venezuelan government prepared on the occasion of OPEC's 61st Anniversary in September 2021. Mohammad Sanusi Barkindo, OPEC Secretary General, said: "It was wonderful to revisit so many treasured memories, and be reminded of so many great occasions."



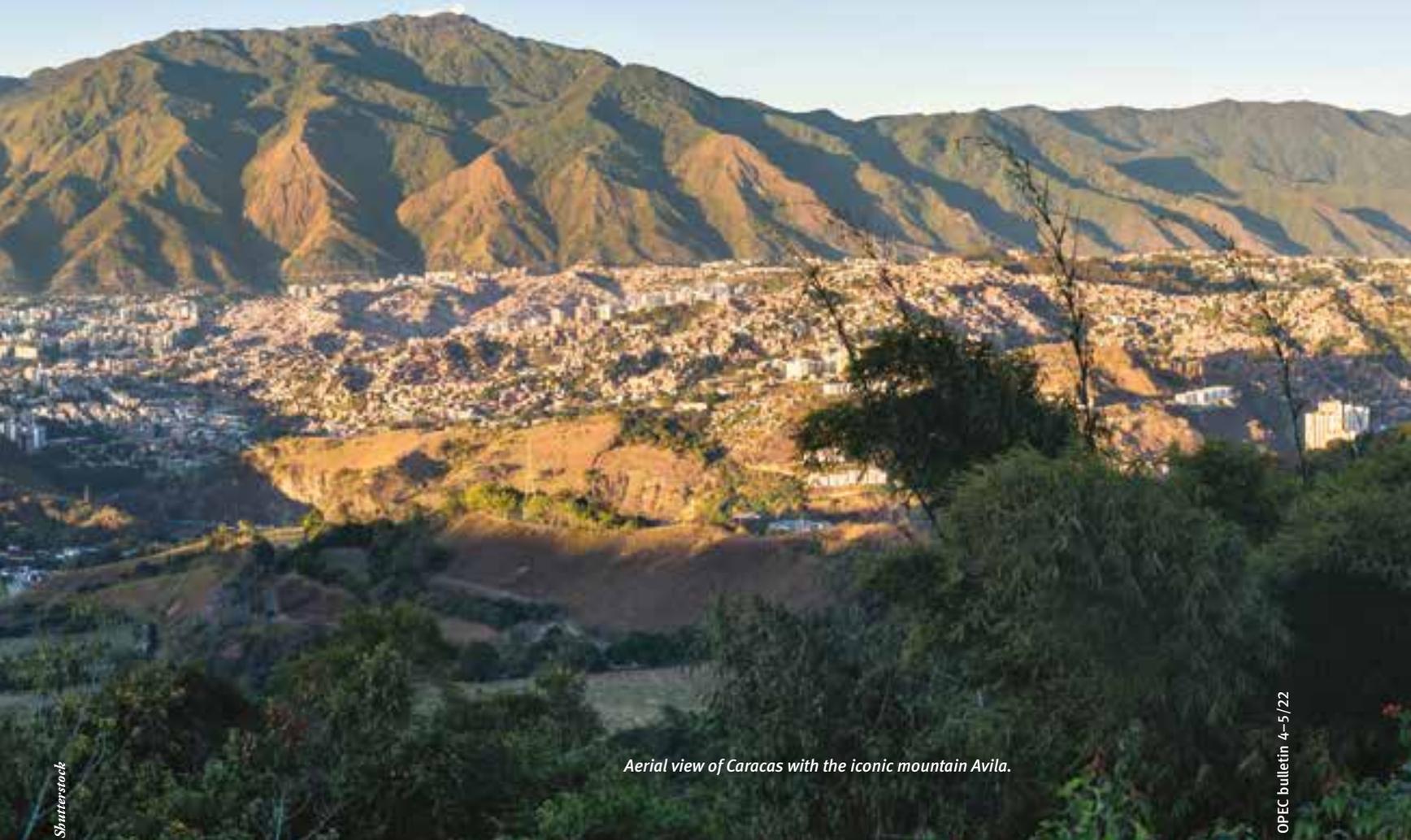
During the 6th OPEC and non-OPEC Ministerial Meeting the 'Charter of Cooperation' was endorsed.

Caracas:

charming and elegant



In a world filled with rich history and mounting modernity, Caracas stands as one of the unique examples combining both characteristics. Building on its remarkable past, the city and its leadership have continuously ensured that the city remains central to the country's success. In this article, OPEC's Ayman Almusallam explores the Venezuelan gem of Caracas.



Aerial view of Caracas with the iconic mountain Avila.



Nicolás Maduro Moros, President of the Bolivarian Republic of Venezuela.



The National Assembly in downtown Caracas, Venezuela.

Officially known as *Santiago de León de Caracas*, the city serves the Bolivarian Republic of Venezuela in various capacities.

Caracas is the nation's capital, its largest city and the seat of the national parliament. It is also the country's key administrative, economic and cultural hub, hosting a great number of important landmarks, companies and institutions, including the presidential palace '*Palacio de Miraflores*'.

Nicolás Maduro Moros currently serves as the President of the Bolivarian Republic of Venezuela. He assumed office in 2013.

The city's history dates back to an attempt by Spain to

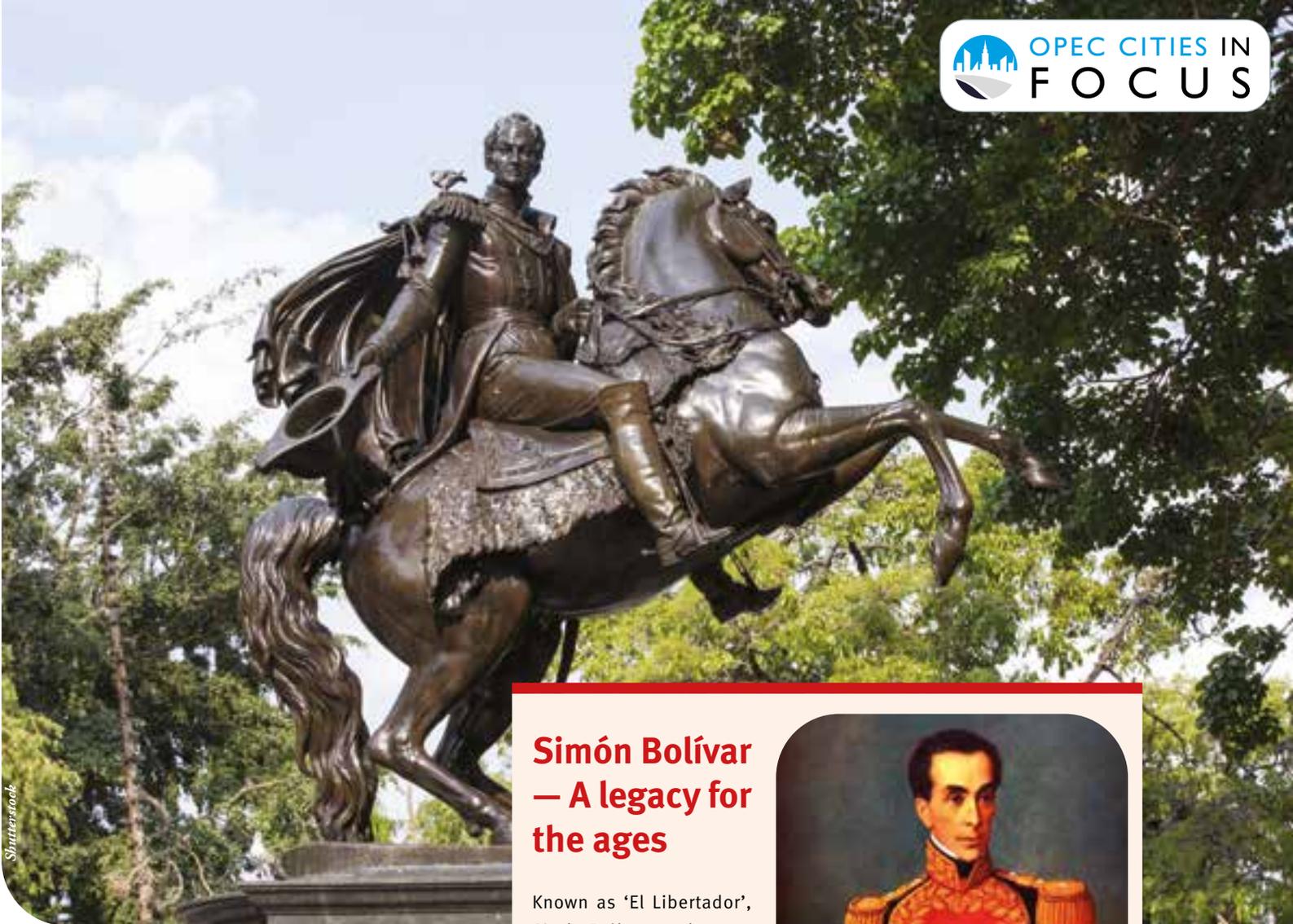
create a settlement in the valley of Caracas in the 1560s. Native inhabitants then populated the valley.

Towards the end of the decade, the Spanish conquistador Diego de Losada established a city called *Santiago de León de Caracas* in the summer of 1567. The new city was chosen as the capital of the Spanish colony in Venezuela a decade later in 1577.

Caracas saw several vicious attacks by pirates in the 17th century. Yet, the region's topology and its coastal mountains helped protect the newly-established city.

The 18th century brought various changes to the region's political landscape. Caracas became the capital of the Spanish-ruled Captaincy General of Venezuela in 1777.

Two decades later, efforts by locals to gain independence spread. The *Independence War* continued until 1821, when the Spanish were defeated by independence fighters, led by the legendary General Simón Bolívar, at the Battle of Carabobo.



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Statue of Simón Bolívar in Caracas.

Venezuela’s Declaration of Independence was signed in Caracas. It was ratified by Congress on July 5, 1811, and recorded in the Congress’s Book of Minutes on August 17, 1811. The anniversary of this declaration (July 5) is celebrated as Independence Day.

Since gaining independence, Venezuela has embarked on a journey of progress and prosperity, backed by its remarkable wealth in natural resources, including oil, and various thriving industries.

Geographically, the capital is located in a valley and forms the centrepiece of the Greater Caracas area. The Guaire River flows through Caracas and empties in the Tuy River. The city is separated from the Caribbean coast by the El Ávila National Park, which is home to a large number of birds, butterflies and mammals.

Caracas enjoys a typical tropical savannah climate. The temperature overall is rather moderate. The city also experiences heavy fog during cold months. Precipitation levels vary throughout the year.

Simón Bolívar — A legacy for the ages

Known as ‘El Libertador’, Simón Bolívar was born on July 24, 1783, in Caracas during the era of the Captaincy General of Venezuela.

Serving as a military and political leader, Bolívar played an instrumental role in the independence efforts that emerged in Latin America. He aimed to eradicate the Spanish regime and its influence in the region and was largely credited with the liberation of several nations, such as Venezuela, Peru, Ecuador, Colombia, Bolivia and Panama.

His commitment, leadership and wisdom helped the iconic hero to hold a number of important offices, including President of Venezuela, President of Peru and President of Bolivia.

Bolívar died at the young age of 47 due to tuberculosis. He left an extraordinary legacy with countless achievements that will be remembered for centuries and felt by generations.



Wikimedia Commons



View of the Twin Towers in Caracas from the Central Park.

Economy and energy

Many sectors are active and productive in the city of Caracas, including service- and industry-based ones, which contribute positively to the welfare of all Venezuelans and support the growth of the capital's economy.

Among the vital industries are chemicals, food, wood products, textile and leather.

Caracas is a home to many economic entities, such as companies, malls and banks. It also hosts the headquarters of Venezuela's national oil company — *Petróleos de Venezuela, SA (PDVSA)* — and the Caracas Stock Exchange.

Nationally, the oil industry signifies a substantial share of the Venezuelan economy, with an extraordinary

wealth of hydrocarbons. The country possesses around 303,561 million barrels of proven crude oil reserves, according to OPEC's *Annual Statistical Bulletin 2021*, while its impressive proven natural gas reserves reached 5,590 billion cu m.

PDVSA is tasked with the management of Venezuela's hydrocarbon treasures, oil in particular, including exploration, production, marketing and distribution. The national oil company (NOC) was founded in the 1970s and it is currently headed by Asdrúbal Chávez.

Historically, Venezuela started producing oil in 1914, with the drilling of the oil well Zumaque I. Its initial production then amounted to around 200 barrels per day.

Venezuela has been regarded as a prominent leader with tremendous influence in the oil sector. This has become undoubtedly evident through its significant



The Parque Cristal complex, an office and recreation building on Avenida Francisco de Miranda, a famous landmark and iconic shopping centre.

and positive contributions to OPEC, the landmark ‘Declaration of Cooperation’ (DoC), the ‘Charter of Cooperation’ (CoC) — it held the OPEC Conference Presidency when the CoC was ratified in 2019 — and the global oil market.

In 1960, Venezuela participated in a meeting with fellow oil-producing countries: Iran, Iraq, Kuwait and Saudi Arabia, which culminated in the establishment of OPEC.

The meeting was the historic ‘Baghdad Conference’, which was held from September 10–14.

Venezuela also took part in earlier initiatives that helped found the Organization. This included attending a meeting at the Maadi Sports and Yacht Club in Cairo, Egypt, with representatives of the same countries, which hosted the signing of a ‘Gentlemen’s Agreement’ that paved the way for OPEC’s creation.

The facade of the ‘Museum of Science’ was designed by Carlos Raul Villanueva and is located at the Museum square.



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Canaima National Park: *Stu*





Stunning natural wonder

It is difficult to convey in words just how stunning and majestic Canaima National Park is. The waterfalls, the savannah, the vistas, the tepui that are some of the world's oldest rock formations, the flora and the fauna: they all amount to a spectacular overwhelming of the senses. Small wonder it is a UNESCO World Heritage Site. The OPEC Bulletin files this report on one of the wonders of the natural world.



View of one of the waterfalls at Canaima National Park.

Canaima is a unique landscape. Located in Bolivar State, near the borders with Brazil and Guyana, it encompasses an area of 12,000 square miles. Reaching Canaima takes about a bit over an hour with a plane from Caracas airport. After Parima Tapirapécó National Park in Amazonas State, Canaima National Park is the second largest national park in Venezuela and the sixth largest in the world. For size comparison, it is about the same area as Belgium. The flight to Canaima offers spectacular views of the jungle from the air.

Campamento Canaima is accommodation befitting the breathtaking surroundings. Simply put, it is one of the most unique hotels in the world. It harnesses the local environment, provides luxury amenities in the middle of the jungle and offers stunning sights from every room.

Indeed, the lobby has one of the most astonishing views of the Canaima lagoon that one could imagine. The staff is composed 100 per cent of the local indigenous *Pemon* people. Guests are immersed in nature and can feel the unique Canaima energy throughout their stay.

Canaima excursions

It has become a staple quiz question around the world: what is the highest uninterrupted waterfall in the world? The answer is the star of Canaima national park: *Kerepacupay*, the Pemon for Angel Falls, one of the greatest wonders of the natural world.

At almost a kilometer, its torrent flows from the *Auyan tepui*. *Tepui* are the unique geological formation found

Mohammad Sanusi Barkindo, OPEC Secretary General, at Canaima National Park.



throughout Canaima. They are sometimes described as plateau rock formations and are one of the key reasons UNESCO designated the National Park a World Heritage Site. Table-top plateau mountains contain near-vertical walls reaching heights over 3,000 feet (1,000 m). The soaring *tepuis* are believed to have been the inspiration for Sir Arthur Conan Doyle's 1912 novel *'The Lost World'*. Angel Falls can be accessed either by boat or helicopter. The boat excursion takes 14 hours, but is reputedly the experience of a lifetime. The view from a helicopter is also awe-inspiring.

Other excursions possible in Canaima National Park include the Kavac caves, Kusari, Sapo and Hacha waterfalls. There are also options to use paddle boats and kayaks for the Canaima lagoon, which is part of the Carrao River. Wildlife within Canaima National Park includes the giant anteater, giant armadillo, jaguar, puma, Brazilian tapir, red howler, titi, uacari, capuchin and white-faced saki monkeys. The *tepuis* zones of the park have more than 628 types of birds and there are many additional species elsewhere.

Ali Padron, Minister of Tourism

One of the most vocal and enthusiastic proponents of everything Venezuela has to offer tourists is Ali Padron, Minister of Tourism. His vivid descriptions of Venezuela's national parks and geographical diversity will whet the appetite of any prospective traveler. He explained to the *OPEC Bulletin* that Venezuela has something for everyone: sun soaked coastal mainland and Caribbean islands, Margarita Island being a famous example; snow-capped

mountains; lush rainforests and steaming marshlands.

A sporting enthusiast, the Minister invited the OPEC team to take a bike ride through the savannah of Canaima. The views were spectacular, the landscape unspoiled. For everybody involved, this was truly a once in a lifetime experience. And listening to Padron's great love of his country, all involved could only share his wonderment at this great country.

Venezuela: much to offer tourists

There are rich rewards to be found for any traveler headed to Venezuela. One is guaranteed a warm welcome by the generous-hearted people. There is much to see in Caracas and tremendous options for accommodation, like the Hotel Cayena, which has wonderful amenities.

Canaima, however, is something exceptional, even in a land of superlatives. The stunning backdrops it offers, provide cherished memories. Perhaps the most fitting description comes from the lyrics of the great song, 'Venezuela' by Pablo Herrero and José Luis Armentero:

*I am desert, jungle, snow, and volcano
and where I go I leave in my wake
the rumor of the plains in a song
that unravels me ...*

*With your landscape and my dreams I will go
through those worlds of God
and your memories in the twilight
will shorten my journey ...*





Angola plays host to prestigious APPO event

The 8th African Petroleum Congress & Exhibition (CAPE VIII) was held in OPEC Member Country, Angola, from May 16–19, under the theme ‘Energy transition and the future of the oil and gas industry in Africa: opportunities, challenges and development’. The OPEC Bulletin reports on the event, with the OPEC Secretary General, Mohammad Sanusi Barkindo, delivering a speech via video to the opening ceremony.

The conference, one of the most prestigious on the continent, brought together national, regional, and international energy, oil and gas industry experts to deliberate on the challenges and opportunities of the energy transition and the future of the oil and gas industry in Africa.

Barkindo, stressed that it was particularly pleasing that APPO VIII was taking place in OPEC Member Country, Angola, and emphasized the importance of the event for the continent.

In terms of Angola, Barkindo noted that the country held the Presidency of the OPEC Conference in 2020 and this year, it holds the presidency of the African Petroleum

Producers Organization (APPO), the organizer of the event. The Secretary General stated that OPEC knows first-hand of the leadership skills and diplomatic credentials of Dr Diamantino Pedro Azevedo, Angola’s Minister of Mineral Resources and Petroleum. “APPO is fortunate to have such a capable public servant holding the presidency at this time.”

Barkindo also paid tribute to “my brother, Dr Omar Farouk Ibrahim, Secretary General of APPO. Dr Ibrahim has been a tremendous asset for the oil industry, Nigeria, OPEC and APPO over his long and distinguished career. We have seen relations between our two Organizations move from strength to strength.”



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Opportunities and challenges

Barkindo took note of the theme of the conference, as well as theme of the panel, ‘Current developments in global oil and gas industry: opportunities and challenges for African producers,’ in addressing the event.

In terms of the current outlook, Barkindo stated that the industry continues to face a broad range of challenges. “The COVID-19 pandemic has repeatedly shown itself to be capricious — while certain regions of the globe have seen case numbers decline, others are experiencing spikes. Geopolitical developments in Europe continue to have spillover consequences in energy, food and commodity markets across the world.

“Supply chain disruptions continue to impact global trade growth. Concerns regarding inflation weigh heavily on central bankers and policy makers. The Bank of International Settlements has recently reported that more than half of emerging economies have inflation rates above seven per cent and 60 per cent of ‘advanced economies’ have inflation of over five per cent. Much of this casts a shadow over the fragile recovery of the global economy from the pandemic.”

Looking more long term, the Secretary General noted that the seemingly relentless tide of globalization



Mohammad Sanusi Barkindo, OPEC Secretary General, delivering a speech via video to CAPE VIII.



*Dr Diamantino Pedro Azevedo,
Angola's Minister of Mineral
Resources and Petroleum.*

consuming countries to diversify sources and discover alternative or new markets. This has significance for Africa, which is still relatively unexplored, with approximately 125 billion barrels of proven oil reserves and 16 trillion standard cubic metres of natural gas.”

Set alongside this, he noted, is the range of factors and challenges related to the energy transition. “In recent years, public discourse around energy, climate and sustainable development has become noisier and more forceful. This greater attention on the energy transition is warranted, given the pressing need to reduce global emissions, alleviate energy poverty, counter the

and economic integration that have characterized the last three decades are being reevaluated. “Certain countries are ‘de-coupling’ their economies from others, and some commentators have even suggested the global economy may fragment into economic blocs, as financial flows and supply chains reorganize and re-orientate themselves,” he said. This can be viewed in downward revisions to growth projections, from most institutions.

In the face of the economic headwinds, however, Barkindo stressed that OPEC and ten non-OPEC countries participating in the ‘Declaration of Cooperation’ (DoC), continue to meet on a monthly basis, to monitor market developments and decide on supply adjustments that aim to contribute to oil market stability.

Energy security and sustainability

Barkindo also referenced one of the predominant concerns for many nations across the globe, especially given recent dislocations in oil and gas markets: energy security. He said: “There is a move among some

impacts of the COVID-19 pandemic and find a sustainable way forward that leaves no one behind.

“Unfortunately, the conversation has become less global and inclusive, with some voices all but excluded. The narrative is often overtaken by emotion, with rational discussions based on facts, hard-data and science, taking a back seat.

“Our industry is at an inflection point and has never before faced so many challenges across multiple fronts in its long history. Put simply, we are under siege.”

He talked of the more than 1,200 litigation cases against oil companies in courts worldwide. “Environmental NGOs, investors and even some corporate boards are pressuring oil companies and governments to pursue aggressive policies and initiatives that could, in the end, be more disruptive than productive for the global energy industry, especially given current concerns related to energy security,” he said.

In this regard, he said the industry also needs to be cognizant of how investments are being impacted by Environmental Social Governance (ESG) requirements and the climate disclosure drive from the financial



Dr Omar Farouk Ibrahim, Secretary General of APPO.



community. “We are concerned about the ESG footprint and stranded asset risk of the industry. The environmental aspect of ESG is perhaps outweighing the need to address the social and development issues.”

He underscored that “the challenges before us are enormous, and we have seen recently that the strains and conflicts related to energy affordability, energy security and the need to reduce emissions require a delicate balancing act, comprehensive and sustainable solutions, and with all voices heard, and listened to.”

He stressed that focusing on only one of these issues, while ignoring the others, can, and has led to unintended consequences, such as market distortions and price volatility, and underlined the need for all forms of energy to be used in the transition.

In looking at the prevailing narrative, Barkindo said that it does not correlate with the future trajectory of the world’s energy needs and referenced the old quote:

“Never theorize before you have data. Invariably, you end up twisting facts to suit theories, instead of theories to suit facts.”



Delegates attending the event.



João Lourenço, President of Angola, at CAPE VIII.

which every person has access to energy as referenced in UN Sustainable Development Goal 7, and reduce emissions.

He said: “The challenge of tackling emissions has many paths, as evidenced by the Intergovernmental Panel on Climate Change, the United Nations Framework Convention of Climate Change (UNFCCC) and the Paris Agreement. It is not just one path for all, whether that be a country or an industry.

“The capacities and national circumstances of developing countries must be taken into account in all actions. In order to not render countries already struggling even more besieged, it is necessary to carefully consider the adverse socio-economic impacts on these countries due to mitigation

activities, in order to identify remediation measures and share best practices.”

Critical investments

Barkindo also highlighted the importance of future investments, citing *WOO* figures that see cumulative oil-related investment requirements of \$11.8 trillion in the 2021–45 period.

He stressed that creating the stability in the oil market necessary to attract the required levels of investment “has been one of the primary motivations behind OPEC’s collaborative efforts with ten non-OPEC countries under the DoC umbrella.”

The investment requirements, said Barkindo, clearly underline that any talk of the oil and gas industries being consigned to the past is misguided. “Any shortfall could have severe consequences. We could see crude oil and product shortages, all of which would have an impact on the global economy. The consequences of

The data

In looking at the data, the OPEC Secretary General highlighted the Secretariat’s *World Oil Outlook (WOO)*. It sees the global economy in 2045 more than double the size it was in 2020 and the global population is expected to reach 9.5 billion people by 2045, an increase of 20 per cent.

“As a result of these phenomenal demographic and economic changes, global energy demand is set to increase from 275 million barrels of oil equivalent a day in 2020 to 352m boe/d by 2045, growth of approximately 28 per cent. No single source of energy can meet this demand growth alone,” he said.

Oil is forecast to remain the fuel with the largest share of the global energy mix up to 2045, at approximately 28 per cent and oil and gas together are still expected to account for more than 50 per cent in this time horizon, he added.

In looking to the future, he underlined the need to transition to a more inclusive, fair and equitable world in



Delegates and speakers gather for a group photograph.

underinvestment as a result of the supply-driven market downturn in 2015–16 and the COVID-19 pandemic is already been felt in the low spare capacity we see today.”

In looking at emissions, the Secretary General started that here is no doubt that the oil and gas industry can foster its resources and expertise and help unlock a low-emissions future, through its role as a powerful innovator in developing clean and more efficient technological solutions to help reduce emissions. This includes carbon capture utilization and storage (CCUS), blue hydrogen and others, as well in the promotion of the Circular Carbon Economy to improve overall environmental performance.

He said: “Investing in technologies such as blue hydrogen and CCUS while harnessing the ‘reduce, reuse, recycle and remove’ carbon principles are all critical paths towards a sustainable society in Africa. These principles not only minimize the environmental impacts of GHG emissions, but also contribute to achieving socio-economic development and prosperity. Additionally, hydrogen production development could make Africa a net exporter in the global market.”

Connecting the energy trilemma

In talking about energy poverty, Barkindo said that “access to affordable, reliable, sustainable and modern energy, is a right for all, not a privilege of the few. We must bear in mind that climate change and energy poverty are two sides of the same coin.”

The unfortunate reality for developing countries, he said, is that a staggering 759 million people worldwide did not have access to electricity in 2019, with three out of four of them in sub-Saharan Africa. Moreover, there were roughly 2.6 billion people or 34 per cent of the global population who did not have access to clean cooking fuels and technologies — and this includes a massive 70 per cent of Africans, exposing them to high levels of household air pollution.

He underscored the need to see the bigger picture. “We need to connect all aspects of the energy trilemma. This means working with each other, and not against each other. It is in the interests of each and every one of us to evolve a sustainable energy future that works for all.”



Photographs, unless otherwise credited, courtesy of APPO.



Kadri Simson (r), Commissioner for Energy at the European Commission; with Mohammad Sanusi Barkindo, OPEC Secretary General.

EU-OPEC Energy Dialogue convenes in Vienna

On April 11, 2022, OPEC and the European Union (EU) held their 15th High-level Meeting as part of the EU-OPEC Energy Dialogue at the OPEC Secretariat in Vienna, Austria. The OPEC Bulletin reports.

The Meeting was co-chaired by Mohammad Sanusi Barkindo, OPEC Secretary General, and Kadri Simson, Commissioner for Energy at the European Commission. Some delegates participated in the meeting via videoconference.

In welcoming the participating EU delegates to the OPEC Secretariat, the Secretary General recalled that it had been over three years since the parties had met in person due to the COVID-19 pandemic.

“It is a great pleasure to be able to meet in-person after many months of being restricted to discussing important matters via cyberspace and through computer screens,” he said. “It is hard to believe that the last in-person meeting we held with the European Union was in November of 2018 at the EU headquarters in Brussels.”

Crucial role of dialogue

Both parties stressed the importance of transparent and open communication, as well as the exchange of energy outlooks, particularly during periods of volatility, making reference to

the ongoing COVID-19 pandemic and the current geopolitical developments.

They also agreed that the dialogue should remain a priority given the short-, medium- and long-term issues facing the energy sector.

In this regard, the Secretary General lauded the efforts of the Commissioner in steering the EU through a challenging energy cycle.

“Allow me to recognize Her Excellency, Kadri Simson, Commissioner for Energy from the European Commission. I commend you, Commissioner, for your very able leadership in helping the Commission successfully navigate some of our industry’s toughest times in recent history,” he said, adding, “Our bilateral meeting on March 16 was a perfect example of the increasingly open and transparent nature of the EU-OPEC relationship. This dialogue platform enables us to share insights and outlooks in times of stability, but, even more importantly, during times of crisis.”

In terms of the current high levels of volatility in the markets brought on by the conflict in Ukraine and the ongoing COVID-19 crisis, the Secretary General pointed out that these were predominantly non-fundamental factors.

“These crises have compounded to create a highly volatile market. I must point out, however, that these are non-fundamental factors that are totally out of our control at OPEC,” he stated. “What we can do is what we have always done — and that is to continue collaborating with our non-OPEC partners in the ‘Declaration of Cooperation’ (DoC) to help support market stability and economic growth through our joint actions.”

He recalled the efforts of the DoC participating producers who helped rescue the industry in 2020 after the onset of the global pandemic and its crippling effects on oil demand.

“Two years ago, we helped rescue an industry in distress during the wake of the pandemic and have helped restore it to balance and growth,” he said. “I am confident we will persevere once more with the current challenges we are facing. However, we will need the concerted efforts of global leaders to employ this stance of multilateralism to help secure a steady flow of energy to the whole world.”

Noting the effective global response of the G20 Energy Ministers in the wake of the pandemic, he urged the EU and other global leaders to “follow this example of multilateralism and once again ensure an unhindered, stable and secure flow of energy to the whole world.”

Fair and balanced energy transition

During the meeting, OPEC presented its forecasts for the short, medium and long-term energy market outlooks, while the EU presented some of the latest initiatives it is undertaking to address climate change, including its REPowerEU project, as well as its efforts in regulating methane emissions.

The Secretary General stressed that OPEC continues to seek fair and inclusive solutions to two important priorities: ensuring energy access to all of the world’s people while addressing climate change.

Referring to the recently released IPCC Six Assessment Report (AR6), Barkindo emphasized that stable energy markets are a pre-requisite to any energy transition.

“In the context of the current market dynamics, we are reminded that if the energy transition is to take place, stable energy markets and security of supply must be guaranteed,” he said. “And this cannot be achieved without adequate industry investment to help us meet future demand while also investing in innovative and sustainable solutions. Thus, we continue to advocate for a balanced approach that seeks to reduce greenhouse gas emissions while ensuring energy affordability and security.”

In this regard, he encouraged the EU to engage with the host



The teams of both OPEC and the EU, led by Kadri Simson and Mohammad Sanusi Barkindo.

countries of the upcoming COP Meetings and to ensure that all parties’ voices are considered in the negotiations.

“We thus would like to call on the EU to rise to this historic challenge in promoting a realistic approach to the energy transition within the context of the current major challenges we are now facing,” he stated. “It would be in the interest of all parties if the EU would engage with the host countries of the upcoming COP Meetings in Egypt (COP27) and the United Arab Emirates (COP28) during the lead-up to these pivotal gatherings to help reshape the climate conversation as one based on equity, common-but-differentiated responsibilities and national circumstances. We want to make sure that all voices are heard and that no one is left behind.”

Looking ahead

Both parties noted the positive outcome of the Fourth Technical Meeting of the EU-OPEC Energy Dialogue, which was held via videoconference on April 6, 2022, in preparation for the High-level Meeting. Both parties highlighted the positive cooperation both on the technical and research fronts and agreed to enhance efforts in these areas.

Some of the agreed topics for future discussions included energy efficiency, stimulating investment, the role of hydrogen, the Circular Carbon Economy, carbon capture, utilization and storage (CCUS) and reducing methane emissions.

OPEC and the EU underlined the significance of accurate, reliable and relevant data and highlighted its role in enhancing the understanding of the drivers and dynamics of the energy market.

Both parties expressed their strong commitment to the dialogue and underscored the importance of international cooperation, mutual understanding and multilateralism. ■■

Atlantic Council hosts Global Energy Forum

The Atlantic Council's sixth annual Global Energy Forum, held in Dubai from March 28–29, saw the world's top energy decision-makers come together to examine the current global energy agenda, and assess the longer-term economic and geopolitical implications of the ever-evolving energy system. The OPEC Bulletin reports.



*Frederick Kempe,
President and CEO of
the Atlantic Council.*

The Atlantic Council Global Energy Forum was held alongside Expo 2020 in Dubai and in conjunction with the 2022 World Government Summit — a major global convening focused on the tools, policies, and models that are essential in shaping future governments. It was an opportunity to take stock of current events in the energy sphere, and particularly the ever-evolving challenges and opportunities of the energy transition.

This was encapsulated succinctly in remarks from Frederick Kempe, President and CEO of the Atlantic Council, in opening the forum. “We open this year’s Atlantic Council Global Energy Forum at a moment when our energy system is confronting concurrent geopolitical, energy security, and climate crises. I cannot imagine a better time for us to gather and put our best minds together so that we can better navigate this period of uncertainty.”

Navigating the energy transition

The opening session saw Kempe on stage with Dr Sultan Al Jaber, the UAE’s Special Envoy for Climate Change, Minister of Industry and Advanced Technology and Managing Director and Group CEO, Abu Dhabi National Oil Company, and Suhail Mohamed Al Mazrouei, the UAE’s Minister of Energy and Infrastructure. They both emphasized the need to balance a long-term transition with immediate, near-term, energy security needs.

Al Jaber said: “While we fully embrace the energy transition, we need to recognize that policies should be tailored to real-world scenarios. And they should follow the basic rule of progress, that if we fail to plan our plan will definitely fail.

“An unrealistic approach that ignores basic economics will only lead to tighter markets that are even more exposed to geopolitical shocks. Divesting from the energy sources that drive the global economy will lead to a systemic supply crunch that erodes economic growth. Put simply, we cannot and must not unplug the current energy system before we have built the new one.”

He added that many in Europe and the US are beginning to realize that the transition will take time, which has resulted in a belated pivot to policies to ensure that near-term energy security is not undermined by long-term goals. “They have now come to the same conclusion that we came to a while ago — that we need to hold back emissions, not progress.”



Members of the session on ‘Oil and gas in a net-zero world’ (l–r): Sharif Alolama, Undersecretary for Energy and Petroleum Affairs, Ministry of Energy and Infrastructure, UAE; Dan Brouillette, former US Energy Secretary; Eithne Treanor, Moderator and Managing Director, E Treanor Media; Mohammad Sanusi Barkindo, OPEC Secretary General; Helima Croft, Managing Director and the Head of Global Commodity Strategy and Middle East and North Africa (MENA) Research at RBC Capital Markets; and Hunter Hunt, President and Chief Executive Officer, Hunt Consolidated, LLC.

and not allowing politics to kick in to this Organization ... we always believe that whatever we do as countries when it comes to production and to this work, it needs always to stay out of politics.”

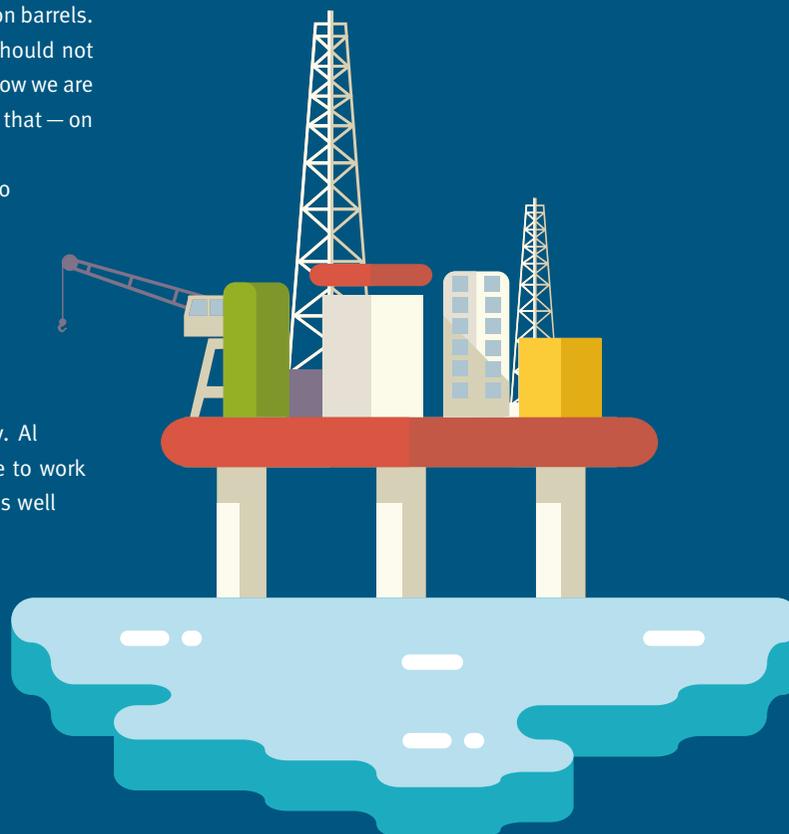
Al Mazrouei also noted that the energy transition will take time, and emphasized the need for more investments. “We need actions from the investors. We need them to be investing and promoting investments.”

He added that the UAE is doing its best. “We are investing and raising our capacity to five million barrels. We said this when people were saying you should not invest, and we were wise to do that because now we are seeing the need for it. So we are continuing on that — on that pathway.”

Al Mazrouei added that the UAE is also promoting renewable energy in more than 40 countries, through the work of Masdar, and the commitment to bringing affordable hydrogen to market.

The event also saw a number of questions related to OPEC, the ‘Declaration of Cooperation’ (DoC) and oil market stability. Al Mazrouei stressed that the UAE will continue to work with OPEC to ensure stable global markets, as well as produce the lowest carbon barrels in the world. He highlighted the importance of “staying together, staying focused,

It was a point further emphasized by Prince Abdul Aziz Bin Salman, Saudi Arabia’s Minister of Energy, during a session at the World Government Summit.





Mohammad Sanusi Barkindo (third l), OPEC Secretary General; Majid Jafar (second l), Chief Executive Officer, Crescent Petroleum; Suhail Mohamed Al Mazrouei (third l), UAE's Minister of Energy and Infrastructure; Frederick Kempe (second l), President and CEO of the Atlantic Council; amongst other delegates.

Barkindo

Speaking on a panel session titled, 'Oil and gas in a net-zero world', OPEC Secretary General, Mohammad Sanusi Barkindo, reiterated a number of the key points highlighted by Al Jaber and Al Mazrouei.

On the future of energy, Barkindo stressed that the role of oil and gas is guaranteed for the foreseeable future. He noted that the energy transition should not be viewed as moving from one source of energy to another, highlighting that all forms of energy will be required in the decades to come.

Referencing OPEC's *World Oil Outlook (WOO) 2021*, the Secretary General said that oil and gas are expected to still account for over 50 per cent of the future energy mix in 2045, noting the projected increase in global economic growth and world population.

The Secretary General addressed the topic of the energy sustainability trilemma — ensuring energy is affordable for all, transitioning to a more inclusive, fair, and equitable world in which every person has access to energy as referenced in UN Sustainable Development Goal 7, and reducing emissions. He stated that it was vital to keep in mind that “energy is a right, not a privilege.”

On climate change, Barkindo underscored that there are no “climate deniers” in OPEC, highlighting that the Organization's Member Countries have taken measures in accordance with the principles of the United Nations Framework Convention on Climate Change (UNFCCC): equity and common but differentiated responsibilities and respective capabilities.

Addressing the issue of declining investment, the Secretary General underlined the importance of investment to secure future energy needs. He noted that more than \$11 trillion is required in the upstream, midstream and downstream oil sectors, referencing the Organization's WOO.

Barkindo concluded by calling on the governments of Egypt and the UAE to take up the strategic responsibilities placed on them as hosts of COP27 and COP28, respectively, and start the process of redefining the global conversation on the energy transition, as well as associated challenges and opportunities. He noted that it is vital to recognize that climate goals and the role of the oil and gas are not contradictory.



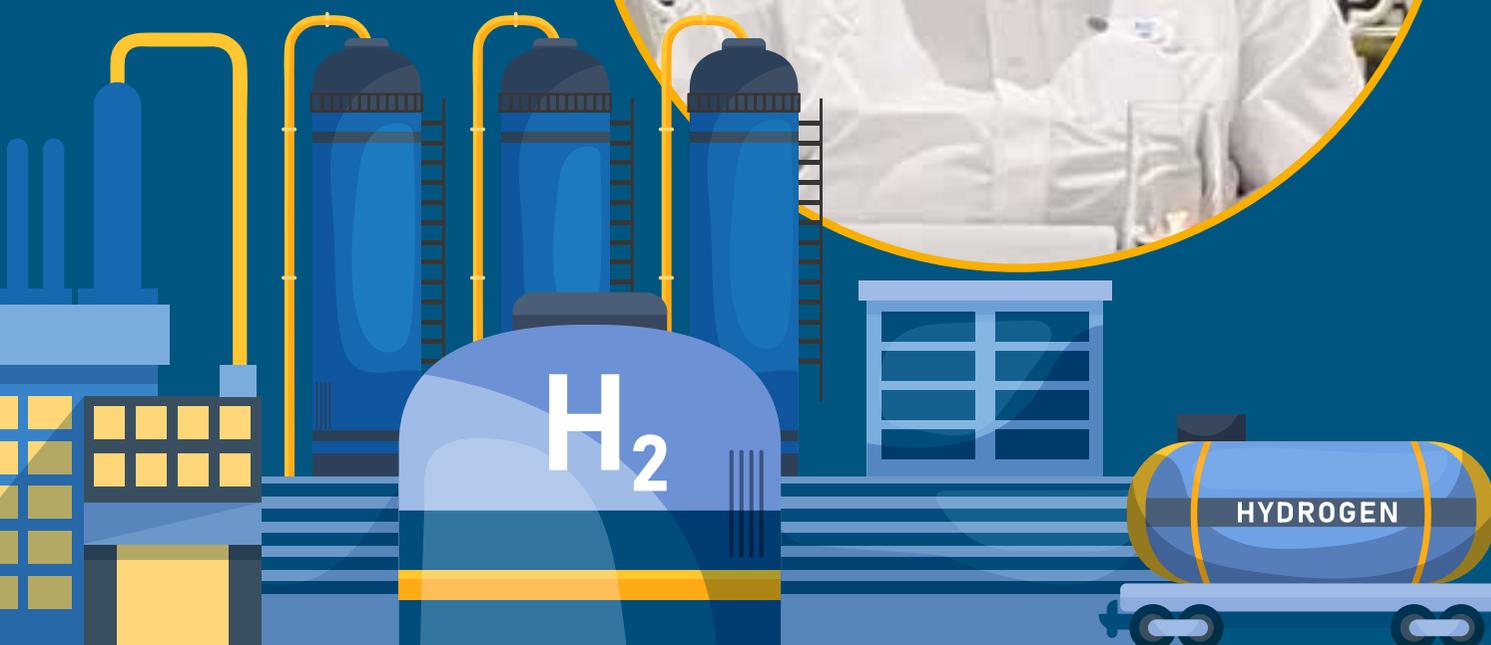
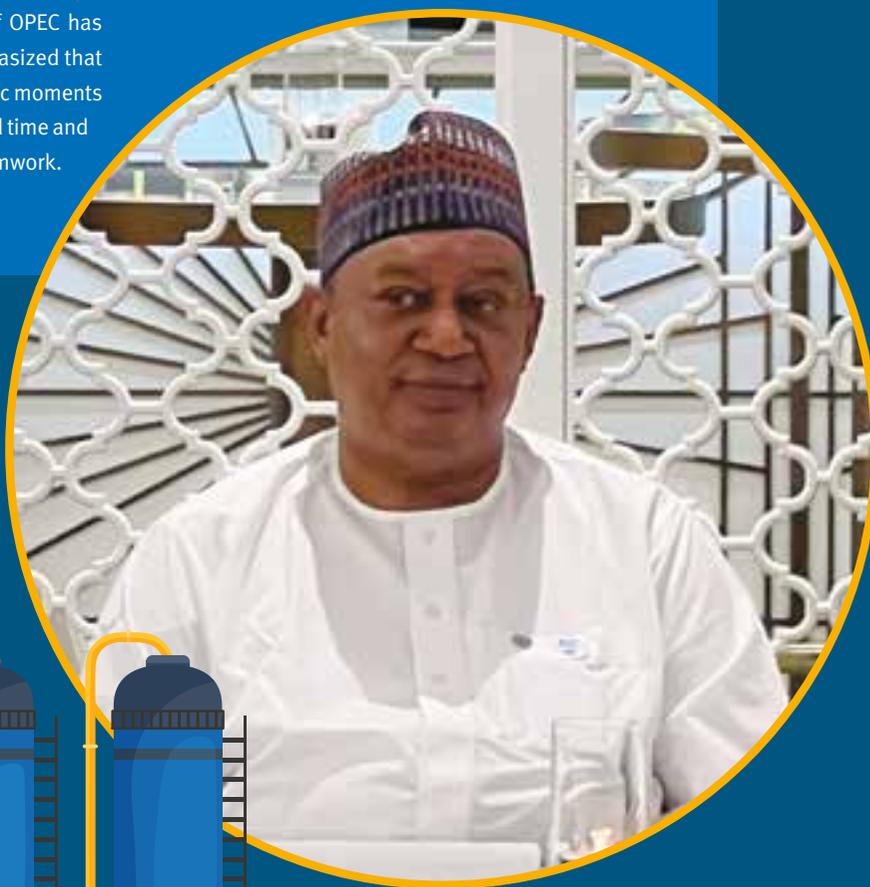
Barkindo named Atlantic Council Distinguished Fellow

On the evening before the Global Energy Forum, OPEC Secretary General, Mohammad Sanusi Barkindo, was named a Distinguished Fellow of the Atlantic Council in acknowledgement of his outstanding achievements as Secretary General of the Organization and contributions to the global energy community.

In his acceptance speech, the Secretary General highlighted that serving as Secretary General of OPEC has been an honour of a lifetime. Barkindo emphasized that he has witnessed both challenging and historic moments over the last six years, which have underscored time and again the importance of cooperation and teamwork.

He also stressed that none of the achievements would have been possible without the tireless efforts of the OPEC Secretariat's staff members, highlighting their dedication and professionalism.

Barkindo will become a Distinguished Fellow of the Council after he completes his second term as OPEC Secretary General on August 1, 2022.



Harnessing innovation to meet future energy needs

The 4th Workshop on Energy Technology draws on a field of experts to explore key developments related to carbon capture and utilization.



Dr Ayed S Al-Qahtani, Director of OPEC's Research Division, opened the event.

The OPEC Secretariat hosted the 4th Workshop on Energy Technology on May 23, 2022, featuring a line-up of leading experts on carbon capture, carbon utilization and other promising technologies.

In opening the event, Dr Ayed S Al-Qahtani, Director of OPEC's Research Division, pointed out that the deliberations about the energy transition have risen to the top of the agenda at many energy events and international meetings.

The COP26 climate conference, which took place in November 2021, is a prime example. Meeting in Glasgow, Scotland, global leaders debated how the world can address climate challenges while at the same time meet the world's burgeoning energy requirements.

Al-Qahtani recalled that OPEC Secretary General, Mohammad Sanusi Barkindo, stressed that there are many ways to achieve the goal of tackling emissions when he addressed the COP26 plenary session.

"There is no one proven solution for countries or

industries," Al-Qahtani said, echoing Barkindo's remarks. "The narrative that the energy transition involves moving away from oil and other fossil fuels to renewables is simply not realistic, especially when considering the rising demand we see for oil and gas in the years to come."

He went on to note that OPEC's *World Oil Outlook* sees total primary energy demand expanding by a significant 28 per cent in the run-up to 2045. Oil is expected to retain the largest share of the energy mix, accounting for just over a 28 per cent share in 2045.

"Thus, the question we must ask ourselves is not whether fossil fuels will be needed," Al-Qahtani told the workshop, "but rather how to best adapt these products to make them cleaner and less carbon intensive."

Two sessions focus on key developments

Around 110 people from ten OPEC Member Countries and five non-OPEC participants in the 'Charter of Cooperation' (CoC) took part in the 4th Workshop on Energy Technology. It was a hybrid event — with the OPEC Secretariat serving as a hub for those joining by video link. The workshop was held under the Chatham House rule.

Of the workshop's two sessions, the first focused on carbon capture, transport and storage technologies. The second session dealt with carbon utilization, including enhanced oil recovery technology; carbon to chemical solutions; the carbon capture and hydrogen economy; and ways of achieving zero-emissions production.

"Today, we have a golden opportunity to discuss in detail some of our industry's leading technology advances that have come to the forefront in recent years, and these will certainly be poised to evolve with step-by-step changes in innovation in years to come," Al-Qahtani said at the opening of the workshop.

"Many of OPEC's Member Countries, as well as non-OPEC countries participating in the CoC are making great inroads in leveraging many of these important

technologies,” he added, including developments related to carbon capture, utilization and storage (CCUS).

“CCUS continues to prove itself as a commercially viable solution, and is thus seen as a win-win proposal for many industry players,” he said. “Our hope is that CCUS might contribute to the establishment of a circular carbon economy (CCE), which the G20 endorsed in 2020 under the presidency of Saudi Arabia. This type of economy would enable this industry to combat climate change through the recovery and recycling of carbon emissions.”

The workshop’s panellists touched on the importance of both CCUS and the CCE, which aims to close the loop in the climate cycle through four pathways: reduce, remove, recycle and remove. They also discussed how technologies such as CCUS can help achieve climate emissions while ensuring that future energy needs are met.

Carbon capture, transport and storage

During the first session, one speaker addressed technology’s importance to helping achieve the UN Sustainable Development Goals (SDGs). The panellist noted that around one billion people, or 13 per cent of the global population, lack access to modern energy. Eradicating energy poverty is set out in SDG 7.

One common theme discussed during this session related to the cost of carbon capture, with some speakers noting that there are many who doubt whether the deploying the technologies is worth the price.

But some panellists stressed that cooperation — both private and public — can help achieve scaled-up operations, leading to economies of scale. The presenters in the first session pointed to these promising initiatives:

- One company is working on pre-fabricated modular systems to capture and store carbon emissions. Such systems help reduce the cost of infrastructure, significantly shorten the delivery timeline and reduce the system’s overall operational footprint.
- Cooperative ventures being undertaken to capture carbon in one location and transport it to storage facilities in other locations provide greater market flexibility by providing energy where it is needed.
- One firm is working on direct air capture of carbon which can “effectively reverse emissions from anywhere, any place” and turn it into cost-effective energy.
- Saudi Arabia is harnessing the potential of the CCE with the goal to achieve its domestic ‘Net zero by 2060’ ambitions and to advance global carbon mitigation efforts.

Panellists noted that scepticism about carbon capture goes beyond its financial viability to include concerns about the safety of storage and potential for leaks. “It is important to build confidence in the technology and overcome misconceptions about safety and where risks may occur, ensure that they are addressed,” one panellist said.

In addition, it was pointed out that treating carbon emissions as waste and imbedding the costs of treating it products is another way to finance and mainstream the technologies. “This is happening and more is coming,” one panellist said, noting that some customers are beginning to demand and pay for products with a lower-carbon footprint.

Carbon utilization

The second session — focusing on carbon utilization — led to a comprehensive discussion and give-and-take by participants. Key points included:

- The environmental benefits of enhanced oil recovery (EOR), whereby carbon dioxide (CO₂) is injected into existing oil wells to improve flow, efficiency and longevity. The result is a “carbon-negative barrel”, said one panellist.
- “We are going to use oil for a long, long time in the future,” and EOR — “having already stored a billion tonnes of CO₂ — can be further scaled up to enormous size.”

SABIC, the Saudi Arabian chemicals giant, presented an overview and short video on its cutting-edge operations that use purified CO₂ in the production of agriculture nutrients, medical applications and the food and beverage industry. Such technologies increase operational efficiency and maximise the value of energy resources.

The workshop’s participants also heard a presentation on how voluntary carbon credit systems, which are aimed at reducing greenhouse gas emissions in heavily-polluting industries, could be used to scale-up CCUS projects. Credit schemes could help address some of the financing challenges in carbon capture, the panellist explained.

‘Smarter, greener solutions’

Following the presentations of the experts and a number of follow-up questions, Al-Qahtani thanked all participants, stressing that the future of the industry will be shaped by technologies that are being developed today.

“As we prepare to enter a more intensified period of the energy transition in the next decade, these technologies will enable the development of smarter and greener solutions while allowing the industry to continue meeting the rising energy needs of a rapidly growing global population, predominantly from developing countries,” he said.

He further emphasized that technology will continue to play an increasingly important role as the industry grows and adapts to future needs.

“In this regard, OPEC and its non-OPEC partners of the DoC and CoC stand ready to contribute their combined technological expertise to the global efforts in addressing climate change in the decades to come.”



Abdulmonem Alshah
Head, Finance & HR Dept.
Task Force Lead MDTC

Dr Ayed S. Al-Qobehi
Director, Research Division
Chairman of the OPEC Academy

Youssef Al-Homadi
Head, Admin. & IT Services

Members of OPEC
Management greeting
participants of the 22nd
MDTC.

Record-breaking attendance at 22nd MDTC

The 22nd Multi-Disciplinary Training Course (MDTC), held from March 28–30 via videoconference, saw record participation from OPEC Member Countries, with 86 participants from 11 Member Countries, including a delegation from the African Petroleum Producers' Organization (APPO).

The MDTC is a highlight at the OPEC Secretariat every year, presenting a unique opportunity for Member Country representatives to meet experts in OPEC and the industry. The work of the various departments and offices within the Secretariat was explained across five sessions, connecting them to the all-important mission of the Organization.

The OPEC team shared insights on Secretariat operations and the work they carry out on behalf of the Organization, Member Countries and other energy stakeholders. The sessions were all interactive, with opportunities for participants to initiate discussions and ask questions. The feedback from attendees was positive.



The 22nd MDTC in progress.

Value of dialogue

In opening the event, Dr Ayed S Al-Qahtani, Director of OPEC's Research Division, said: "Since OPEC's founding in 1960, we have reached many milestones. Our Founder Members banded together all those decades ago to gain control over their natural resources from Western powers and international oil companies. Today, we have our own national oil companies, which in their own right have become highly regarded global leaders in the industry."

Today, OPEC is a leader in fostering international energy dialogue, added Al-Qahtani. "Since the beginning of the COVID-19 pandemic, our dialogue efforts have expanded greatly to include many more stakeholders, including secondary sources, academics and leading institutions. During the sharp downturn in 2020, we needed to hear more voices, draw on more opinions and collect more expertise to manage this extraordinary situation."

The Director also spoke of the various challenges OPEC has faced over its 62-year history, including market ups and downs, adding the Organization has come

back stronger each time. "One of the most significant adaptations to date," he noted, "was the creation of the 'Declaration of Cooperation' (DoC) in December 2016, which stemmed from the 2014–16 downturn."

He added that the hard work of the DoC prevented an unprecedented crash at the onset of the COVID-19 pandemic in 2020 and has helped guide the recovery since then. Recognizing the importance of the high-level collaboration, the DoC countries endorsed the 'Charter of Cooperation' in July 2019, which provides participants with a platform to work together on a broader scale.

A bright future

Looking ahead, and with students and those participating in the MDTC clearly in mind, Al-Qahtani said. "Our industry has a bright future. We have always been innovators and the problem-solvers, and our skills will be even more necessary in the future. Our figures in the most recent OPEC *World Oil Outlook* show that oil will continue to hold of the biggest share of the energy mix in 2045.



Dr Ayed S Al-Qahtani, Director, Research Division.



“We will be called upon to use our talent and knowledge to help support the energy transition and drive technology that will help address our world’s growing energy needs in a stable and sustainable way. At the same time, we have an important role to play in

expanding energy access to many millions of people in underserved regions.”

The Director encouraged the students to participate fully and openly share their experiences, opinions and questions during the three-day training course.

In his closing remarks, Al-Qahtani, who spoke on behalf of OPEC Secretary General, Mohammad Sanusi Barkindo, said that sharing expertise and learning are especially important in these difficult times during the pandemic, and hoped that all participants had embraced the opportunities that the MDTC provides.

“During the course of this programme, you had the opportunity to discuss the vital contributions that our

OPEC Member Countries and the ten non-OPEC countries in the DoC have made in supporting a balanced global oil market since its inception in 2016, and especially since the onset of the COVID-19 crisis.

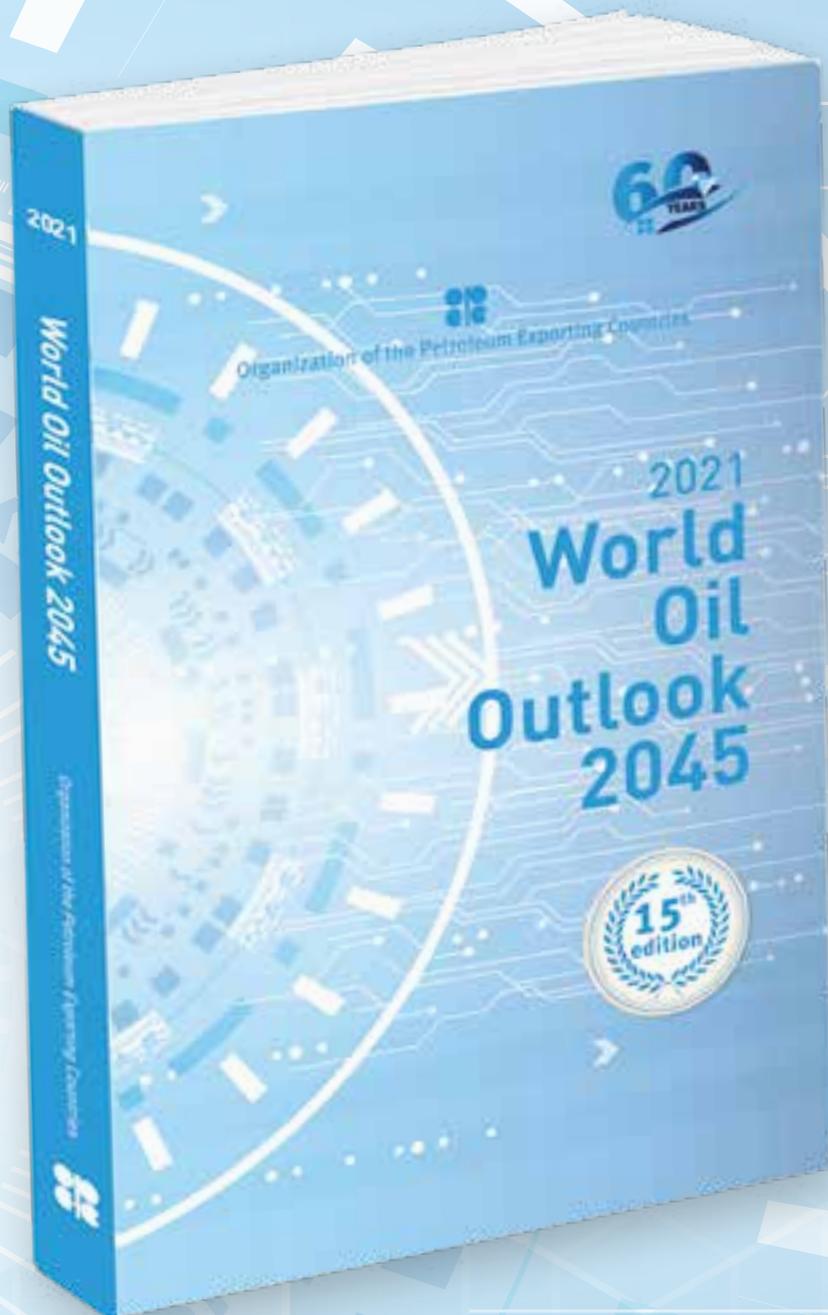
“Efforts during this period of uncertainty are continuing with key meetings taking place monthly, during which the oil market is constantly observed and analyzed,” he added, which is “a process that is vital to supporting sustainable stability.”

He said: “We will adapt and succeed in the face of these new challenges as well, with more expertise at our disposal than ever before, not only through the DoC, but through the many partnerships we have developed and nourished over the years.”

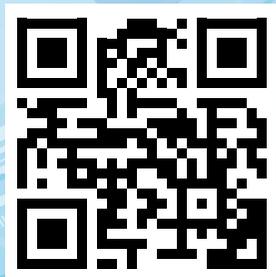
In concluding, he encouraged the young professionals to enrich their knowledge of the industry and the long history of OPEC, through seminars, internships and cooperation with academic institutions.

“Allow me to say that the future of this industry is bright, and there is a bright future for each of you in the oil industry. We hope that this opportunity through the OPEC Academy has provided tools to bring you further in achieving your goals.”





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In memoriam:

Sheikh Khalifa bin Zayed Al Nahyan

On Friday, May 13, 2022, the world bade farewell to a highly respected president and distinguished OPEC Member Country leader. His Highness Sheikh Khalifa bin Zayed Al Nahyan, the late President of the United Arab Emirates, who guided his country to an extraordinary epoch of prosperity and progress, will be greatly missed.

When reviewing the world's history, it becomes evident that a nation's success requires extraordinary leadership: a guiding figure that can navigate the country from one milestone to another and overcome any challenges that may emerge.

Sheikh Khalifa bin Zayed Al Nahyan throughout his almost 18-year reign as the UAE's Head of State and President ensured that his home nation pursued a path of sustainable growth that allowed the UAE and its people to flourish. However, Sheikh Khalifa contributed to the UAE's success story for much longer than that.

Sheikh Khalifa was born in 1948. He was appointed as the representative of the Ruler of Abu Dhabi in the Eastern Province in 1966. He also presided over its legal system in August of the same year.

Three years later, on February 1, 1969, he became Abu Dhabi's Crown Prince, then its Prime Minister and Minister of Defence and Finance on July 1, 1971.

On 20 January 1974, Sheikh Khalifa was appointed as the country's Deputy Prime Minister in the second Federal Cabinet. Two years later, he became the Deputy Supreme Commander of the UAE Armed Forces.

Sheikh Khalifa became the President of the UAE

and Ruler of Abu Dhabi on November 3, 2004, following the passing of his father and the Father of the Nation, HH Sheikh Zayed bin Sultan Al Nahyan, the country's first President, one of the Founders of the Union and former Ruler of Abu Dhabi.

Successful journey, prosperous nation

The period of Sheikh Khalifa's reign saw many accomplishments and numerous milestones. It can be viewed as an incredible era of success for the UAE.

During his reign, the UAE launched numerous initiatives to support its ongoing pursuit of growth and improving the quality of life. This included foundations and the designation of 2015 as the Year of Innovation, 2016 as the Year of Reading, 2017 as the Year of Giving, 2018 as the Year of Zayed, 2019 as the Year of Tolerance and 2021 as the Year of the 50th. The late President also recognized the importance of education, science and technology.

In 2007, Sheikh Khalifa founded the Khalifa Bin Zayed Al Nahyan Foundation, with an objective to develop leading domestic and international welfare initiatives and strategies, particularly for education and health.

Right: His Highness Sheikh Khalifa bin Zayed Al Nahyan, the late President of the United Arab Emirates.



ddp images



During a state visit of His Highness Sheikh Khalifa bin Zayed Al Nahyan with Queen Elizabeth II.



Netherlands (then) Queen Beatrix, Prince Willem-Alexander and Princess Maxima on their state visit to the UAE, with the late President, HH Sheikh Khalifa bin Zayed Al Nahyan.

HH Sheikh Khalifa bin Zayed Al Nahyan receives (then) French President, Francois Hollande, in Abu Dhabi, UAE.

The Cabinet of the UAE, under the guidance of Sheikh Khalifa, named 2015 as the Year of Innovation. The late President then said that the initiative's objective is to support the efforts of the federal government through attracting national skills and boosting quality research, as well as to develop national talents, that can help lead the nation towards further advancement and innovation.

The same year also saw Sheikh Khalifa assign AED 300 billion to the Emirates Science, Technology and Innovation Higher Policy. The policy



included 100 national initiatives in various fields to help establish a solid future for coming generations away from the fluctuation of energy prices and markets.

The year 2018 was a special one in the history of the UAE, as it marked the 100th anniversary of Sheikh Zayed’s birthday. The initiative aimed to highlight the instrumental role and exceptional contributions of the late President, both regionally and globally, including those that culminated in the establishment of the OPEC Member Country.

Sheikh Khalifa designated 2019 as the Year of Tolerance. The announcement aimed to promote the country’s tolerance and its approach in this respect since its foundation. It highlighted the UAE’s role in building bridges between people from different cultures in a respectful environment and through the facilitation of communication.

In 2021, the UAE commemorated its 50th anniversary since the country’s formation in 1971.

During Sheikh Khalifa’s presidency, the UAE also hosted a large number of leading regional and global gatherings, including Expo 2020 in Dubai and many iterations of the Abu Dhabi International Petroleum Exhibition and Conference in the Emirati capital.

Distinguished leadership at OPEC

The UAE has played a pivotal role in OPEC’s affairs since it became a Member Country. These positive



“[The Custodian of the two Holy Mosques] and His Royal Highness the Crown Prince expressed their deepest condolences and sympathy to the government of the United Arab Emirates, the honourable Al Nahyan family, the brotherly Emirati people, and to the Arab and Islamic nations on the passing of a leader who has given a lot to his people, nation and the world.”

— King Salman Bin Abdulaziz Al-Saud (r) of Saudi Arabia and HRH Crown Prince Mohammed bin Salman (l)

contributions were further intensified during the era of Sheikh Khalifa.

For example, the UAE, represented by Suhail Mohamed Al Mazrouei, the country’s Minister of Energy and Infrastructure and Head of its Delegation to OPEC, undertook tremendous efforts throughout the ‘Declaration of Cooperation’ (DoC) process, including



Germany’s (then) Chancellor, Angela Merkel (l), with HH Sheikh Khalifa bin Zayed Al Nahyan, during a state visit to the UAE.



HH Sheikh Zayed bin Sultan Al Nahyan, the Founder and first President of the UAE and former Ruler of Abu Dhabi.

Wikimedia Commons



Reuters

“[Sheikh Khalifa] devoted his life to serving the people of the United Arab Emirates and his relationship with its allies and friends. He will be long remembered by all who work for regional stability, understanding between nations and between faiths, and for the conservation cause.”

— Queen Elizabeth II



Reuters

“Sheikh Khalifa was a ‘great leader’ that dedicated his life for the service of his people, defending Arab and Islamic causes.”

— HH Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah, Emir of Kuwait

during the period that led to the establishment of the landmark framework.

The DoC is an unprecedented milestone in OPEC’s history that provided a platform for OPEC Member Countries and ten non-OPEC oil-producing nations to cooperate in the interests of oil market stability.

Additionally, the UAE held the rotating Presidency of the OPEC Conference — the Organization’s supreme authority — in 2018, which turned out to be a significant year in the history of OPEC and the DoC.

Sheikh Khalifa, as the UAE’s President, also took part in the Third Summit of OPEC Heads of State and Government, which was held in Riyadh, Saudi Arabia, in November 2007. The Summit resulted in one of the Organization’s three Solemn Declarations, which provided guidance for the Organization’s future work.

Condolences by world leaders

Many world leaders, senior officials and distinguished dignitaries paid respects and tributes to the late leader and President of the UAE.

Among these were the Custodian of the two Holy Mosques, King Salman Bin Abdulaziz Al-Saud of Saudi Arabia, and HRH Prince Mohammed bin Salman bin Abdulaziz, the country’s Crown Prince, Deputy Prime Minister and Minister of Defence, who said in a statement carried by the *Saudi Press Agency (SPA)*: “[The Custodian of the two Holy Mosques] and His Royal Highness the Crown Prince expressed their deepest condolences and sympathy to the government of the United Arab Emirates, the honourable Al Nahyan family, the brotherly Emirati people, and to the Arab and Islamic nations on the passing of a leader who has given a lot to his people, nation and the world.”

HH Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah, Emir of Kuwait, said that a “great leader” was lost, in reference to Sheikh Khalifa, adding that the late President dedicated his life for the service of his people, defending Arab and Islamic causes.



HH Sheikh Khalifa bin Zayed Al Nahyan, late President of the UAE.

Queen Elizabeth II of the United Kingdom said: “[Sheikh Khalifa] devoted his life to serving the people of the United Arab Emirates and his relationship with its allies and friends. He will be long remembered by all who work for regional stability, understanding between nations and between faiths, and for the conservation cause.”

Narendra Modi, Prime Minister of India, said in a tweet: “I am deeply saddened to know about the passing of HH Sheikh Khalifa bin Zayed. He was a great statesman and visionary leader under whom the India-UAE relations prospered.”

The Secretary-General of the United Nations, António Guterres, extended his condolences to the leadership, government and people of the UAE on the passing of Sheikh Khalifa.

OPEC Secretary General, Mohammad Sanusi Barkindo, highlighted that “Sheikh Khalifa dedicated his life to the UAE and his commitment to building the impressive nation that we see today is widely admired across the world. Since becoming the President of the UAE in 2004, he had presided over major changes and restructurings, with a focus on achieving balanced and sustainable development. His legacy will no doubt live on for generations. The Arab world and the international community has lost a great leader.”



“I am deeply saddened to know about the passing of HH Sheikh Khalifa bin Zayed. He was a great statesman and visionary leader under whom the India-UAE relations prospered.”

— Narendra Modi, Prime Minister of India



“Sheikh Khalifa dedicated his life to the UAE and his commitment to building the impressive nation that we see today is widely admired across the world.”

— Mohammad Sanusi Barkindo, OPEC Secretary General



Reuters

Sheikh Mohammed bin Zayed Al Nahyan elected UAE President

The United Arab Emirates (UAE) elected Sheikh Mohammed bin Zayed Al Nahyan (pictured) as the nation's new President, following the sad passing of late President and former Ruler of Abu Dhabi, Sheikh Khalifa bin Zayed Al Nahyan, to continue the journey of growth and prosperity that started decades ago in the OPEC Member Country.

Since the unification of the UAE, three visionary leaders and wise dignitaries have assumed the office of President.

These were Sheikh Zayed bin Sultan Al Nahyan, the country's first President, Father of the Nation, one of the Founders of the Union and former Ruler of Abu Dhabi; Sheikh Khalifa bin Zayed Al Nahyan, the second President and former Ruler of Abu Dhabi, who passed away on May 13, 2022; and the UAE's new and third President and Ruler of Abu Dhabi, Sheikh Mohammed bin Zayed Al Nahyan.

Sheikh Mohammed has played an instrumental role for many decades in the numerous successful endeavours that have propelled the UAE towards progress and prosperity.

Sheikh Mohammed was born in March 1961. He joined the Royal Military Academy Sandhurst in the UK in 1979 to pursue various trainings, including in tactical and helicopter flying. He then undertook the Officers' Training Course in the Emirate of Sharjah.

Throughout his military career, Sheikh Mohammed has held several roles in the UAE's forces, such as pilot in the UAE Air Force and Officer in the Amiri Guard. He was later appointed as Deputy Supreme Commander of the UAE Armed Forces in 2005.

Sheikh Mohammed has also contributed significantly to the development of the UAE Armed Forces, from strategic planning to training and promoting defence capabilities. His exceptional leadership and guidance has helped the UAE Armed Forces to become a leading institution that is respected and well regarded by military organizations, both regionally and globally.

In addition to his notable military career, Sheikh Mohammed has held many positions in the political and economic landscapes of Abu Dhabi and the UAE.

Among these were Crown Prince of Abu Dhabi, Chairman of Abu Dhabi Executive Council, Chairman



“We are pleased to express to Your Highness the most sincere fraternal congratulations, praying to Allah Almighty to grant Your Highness success, help you and direct your steps to serve the United Arab Emirates and its people to continue the process of goodness and development.”

— The Custodian of the two Holy Mosques, King Salman Bin Abdulaziz Al-Saud of Saudi Arabia

of ADNOC's Board of Directors, Vice Chairman of the Supreme Council for Financial and Economic Affairs of Abu Dhabi, Deputy Chairman of Abu Dhabi Investment Authority, Chairman of Abu Dhabi Education Council, Chairman of Mubadala Development Company and Chairman of the UAE Offset Program Bureau.

On Saturday, May 14, 2022, Sheikh Mohammed was unanimously elected by the UAE's Federal Supreme Council to become the President of the UAE. The Council comprises the Rulers of UAE's seven Emirates and is the country's highest constitutional, legislative and executive authority. He also became the Ruler of Abu Dhabi.

Leading by example

Throughout his life, Sheikh Mohammed has dedicated himself to serving his nation and its people. His distinguished achievements and contributions have emphasized how he has the interests of the UAE and all Emiratis at heart. It is therefore unsurprising that he has received numerous accolades and recognitions.

These include the Monarch Medal for Officers from the late King Hassan II of Morocco in June 1986; the



Sheikh Mohammed bin Zayed Al Nahyan, the newly elected President of the UAE.

Medal of Outstanding Service awarded by the Chief of Staff of the UAE Armed Forces in May 1992; the Kuwait Medal of Excellent Class bestowed in June 1995 by the late Emir of Kuwait, Sheikh Jaber Al Ahmad Al Sabah; the Oman Order of Military Merit of Second Class presented by Sultan Qaboos bin Said of Oman in February 2000; the Badge of Honour of Independence awarded by Sheikh Hamad bin Khalifa Al Thani, former Emir of Qatar, in January 2005; the Badge of Honour of United Nations Food and Agriculture Organisation (FAO) in September 2008; and, France's National Order of Merit presented by President Francois Hollande in January 2013.

Sheikh Mohammed's exceptional accomplishments underscore the strong belief in the principle of leading by example, and in pushing his nation and his people forward. In a speech delivered on the 39th Anniversary of UAE's national day, Sheikh Mohammed he said: "Our reliance upon knowledge and scientific thinking to achieve total development is the only way to bring our nation ahead."

Congratulatory messages

Following the unanimous election of Sheikh Mohammed as President of the UAE, congratulatory messages poured in from world leaders, dignitaries and high-level officials from across globe.

All these messages were consistent in believing that Sheikh Mohammed will build on the UAE's success story to elevate his nation to new heights in the years ahead.

The Custodian of the two Holy Mosques, King Salman Bin Abdulaziz Al-Saud of Saudi Arabia, said: "We are pleased to express to Your Highness the most sincere fraternal congratulations, praying to Allah Almighty to grant Your Highness success, help you and direct your steps to serve the United Arab Emirates and its people to continue the process of goodness and development proceeded by your father, Sheikh Zayed Al Nahyan, and your brother, Sheikh Khalifa bin Zayed Al Nahyan (may Allah bestow mercy upon them)."

His Royal Highness Prince Mohammed bin Salman

bin Abdulaziz, the Kingdom's Crown Prince, Deputy Prime Minister and Minister of Defence, wished Sheikh Mohammed every success to serve his people and country, and continue the march of development and prosperity. He also wished the new President continuous health and happiness and his sisterly country steady security, prosperity and stability, according to the Saudi Press Agency.

The Cabinet of Kuwait expressed its heartfelt congratulations to Sheikh Mohammed on his election as the UAE's President.

Dr Mohammad Abdullatif Alfares, Kuwait's Deputy Prime Minister, Minister of Oil, Minister of State for Cabinet Affairs and Head of the country's Delegation to OPEC noted that the election of Sheikh Mohammed reflected the unity of the Emirati people, adding that it showed an interest to continue with the wise approach of Sheikh Zayed bin Sultan Al Nahyan and Sheikh Khalifa bin Zayed Al Nahyan.

In a congratulatory message, Queen Elizabeth II of the UK stated: "While it is under sorrowful circumstances, I offer my sincere and warmest congratulations on your appointment as President of the United Arab Emirates and Ruler of Abu Dhabi. I look forward to the continuation of the strong and historic bonds between our two countries and peoples."

The President of the People's Republic of China, Xi Jinping, emphasized that China-UAE relations have developed in comprehensive and deep manners since the beginning, noting that both countries have always supported each other firmly on issues of core interests and major concerns.

In a tweet, Narendra Modi, Prime Minister of India, said: "My best wishes to the Ruler of Abu Dhabi HH Sheikh Mohammed bin Zayed Al Nahyan on being elected as the new President of the UAE. I am confident that under his dynamic and visionary leadership, our Comprehensive Strategic Partnership will continue to deepen."

Kyriakos Mitsotakis, Greek Prime Minister, expressed on Twitter his "warmest congratulations to Sheikh Mohammed bin Zayed Al Nahyan, a close friend of Greece, on his election as President of the UAE," adding, "I wish him from my heart, every success in his new



"My best wishes to the Ruler of Abu Dhabi HH Sheikh Mohammed bin Zayed Al Nahyan on being elected as the new President of the UAE. I am confident that under his dynamic and visionary leadership, our Comprehensive Strategic Partnership will continue to deepen."

— Narendra Modi, Prime Minister of India



"Your Highness, the unanimous endorsement you received on your election is evidence of the great support you have as you take on the great responsibility of serving the UAE and its loyal people. We wish you every success in your new position."

— Mohammad Sanusi Barkindo, OPEC Secretary General

high duties, for the benefit of his country, his people and the region."

OPEC Secretary General, Mohammad Sanusi Barkindo, said: "Your Highness, the unanimous endorsement you received on your election is evidence of the great support you have as you take on the great responsibility of serving the UAE and its loyal people. We wish you every success in your new position." 

Resource conversion: Ensuring capacity growth for the future

*An OPEC Academy lecture featuring S&P Global Chief Strategist and Vice-President, **Bob Fryklund**, provides an in-depth look at the risks of focusing on proven fields rather than frontier exploration.*



L–r: Bob Fryklund, S&P Global Chief Strategist and Vice-President; Dr Ayed S Al-Qahtani, Director of OPEC’s Research Division; and Behrooz Baikalizadeh, Head, Petroleum Studies Department.

Global oil producers will need to step up efforts to harvest the world’s vast proven but undeveloped oil resources to ensure future energy security, one of the industry’s leading upstream analysts said in a presentation to the OPEC Academy.

Following years of decline in tapping discoveries, many producers have sought to maximize production through existing fields. This has occurred as the industry faces mounting challenges related to investment,

the energy transition and shifting market trends.

Bob Fryklund, Chief Upstream Strategist and Vice-President of S&P Global Commodity Insights, touched on these issues during an OPEC Academy presentation on May 6, 2022, entitled: ‘Resource conversion: A key to the future of crude oil supply’.

The event was the latest in the Academy’s lecture series that draws on some of the industry’s foremost oil and energy market and technology experts. The OPEC

Academy, headed by Dr Ayed S Al-Qahtani, Director of the Research Division, supports knowledge sharing within the OPEC Secretariat and Organization.

Fryklund noted that exploration has continued to grow even as the COVID-19 pandemic hammered demand. Over the past two decades, he said, annual liquids discoveries have averaged eight to ten billion barrels.

Despite this “relatively steady” exploration success, Fryklund pointed out that harvesting proven but undeveloped oil supplies has been in steady decline since 2000.

Between 2000 and 2007, on average 56 per cent of discovered oil fields were then converted into production. In the ensuing seven years, that dropped to around 35 per cent. After 2014, the amount of resources going online “fell off the cliff”, said Fryklund.

From 2015 onwards, “on average, only nine per cent of the resources that have been discovered are getting online,” he told a rapt audience at the OPEC Secretariat and others joining by video link, adding that for natural gas “it is even worse” — less than six per cent. “This is critical. And probably one of the most important things I will talk to you about today is resource conversion — we are not doing a good job.”

“There has been a lot of harvesting from existing fields over the years, but look at what is happening as we look at future years,” he said, pointing to graphics highlighting the shift. “From about 2010 forward, there has been a big switch — we have harvested mostly from existing fields for our barrels.”

The sharp decline starting in 2015 coincided with the severe market downturn that would pave the way for the signing of ‘Declaration of Cooperation’ (DoC) on December 10, 2016, and its history-making efforts to restore oil market stability and sustainability. Those efforts gained further traction after the unprecedented market slump triggered by widespread COVID-19 containment efforts, particularly in the first half of 2020.

New production potential

Turning to future growth, the S&P strategist highlighted the importance of converting discovered but undeveloped resources into barrels of oil. In fact, this category “is the big bogeyman”, he noted, amounting to a “very significant” amount of close to 20 million barrels per day (m b/d).

Raising the question of how much of the “discovered

but undeveloped oil will ever be developed,” Fryklund said: “If you think around the world of different fields and different projects — which ones should not really be categorized as ‘discovered undeveloped’ as part of the supply curve, but really ought to be moved over into ‘contingent’ — there are a lot of barrels in that bucket. One extreme example is up in Alaska. There was a discovery there that was touted as one billion barrels — it will never be developed, but it is carried as ‘discovered and undeveloped’.”

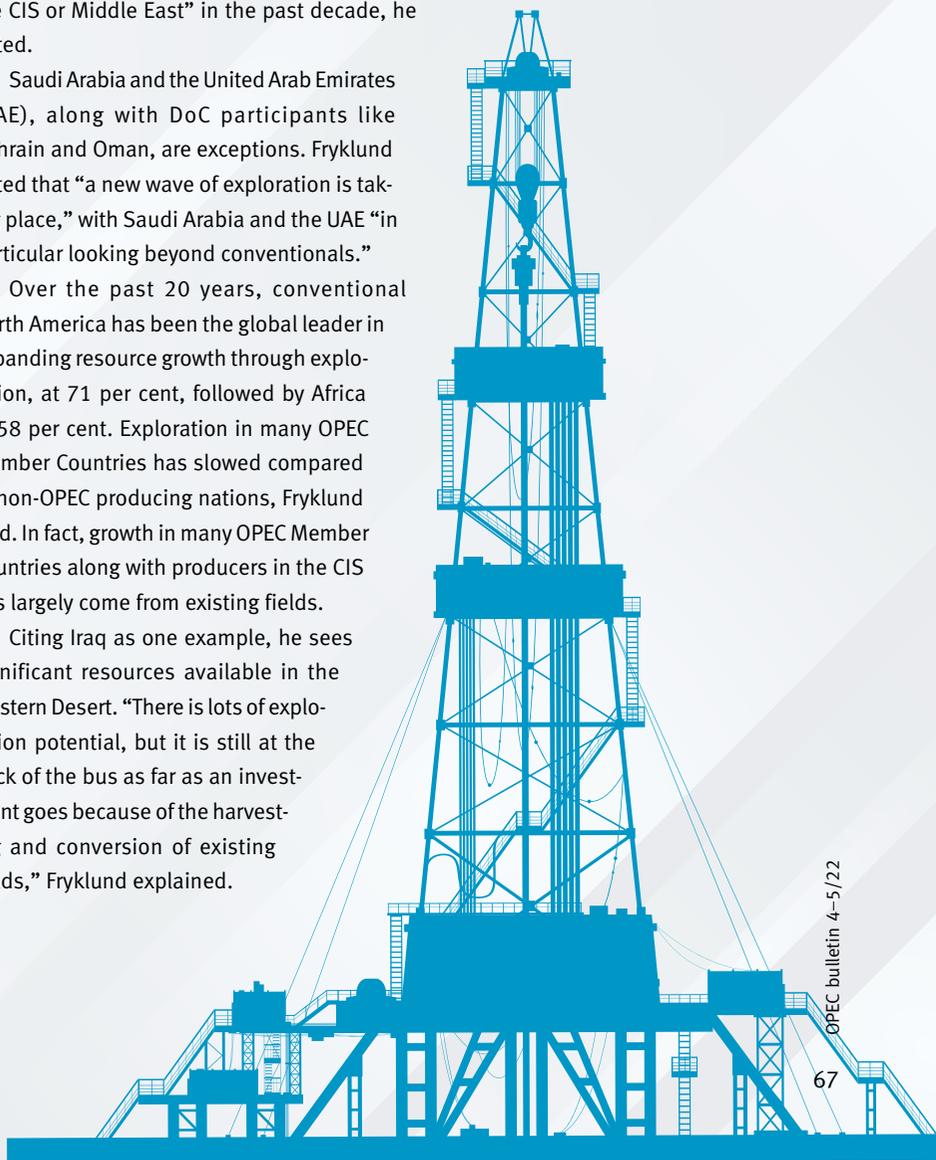
Field growth is not insignificant, however. In fact, production from exiting fields resulted in around 530bn b of liquids, he noted. “It is a massive amount when we look at what has been added between 2000 and 2020,” Fryklund said. “That’s pretty remarkable and is almost two and half times the amount we’ve added through exploration.”

But looking ahead, regions like the Middle East and the Commonwealth of Independent States (CIS) may need to focus more on exploration to harvest additional barrels. “There has been almost no exploration in the CIS or Middle East” in the past decade, he noted.

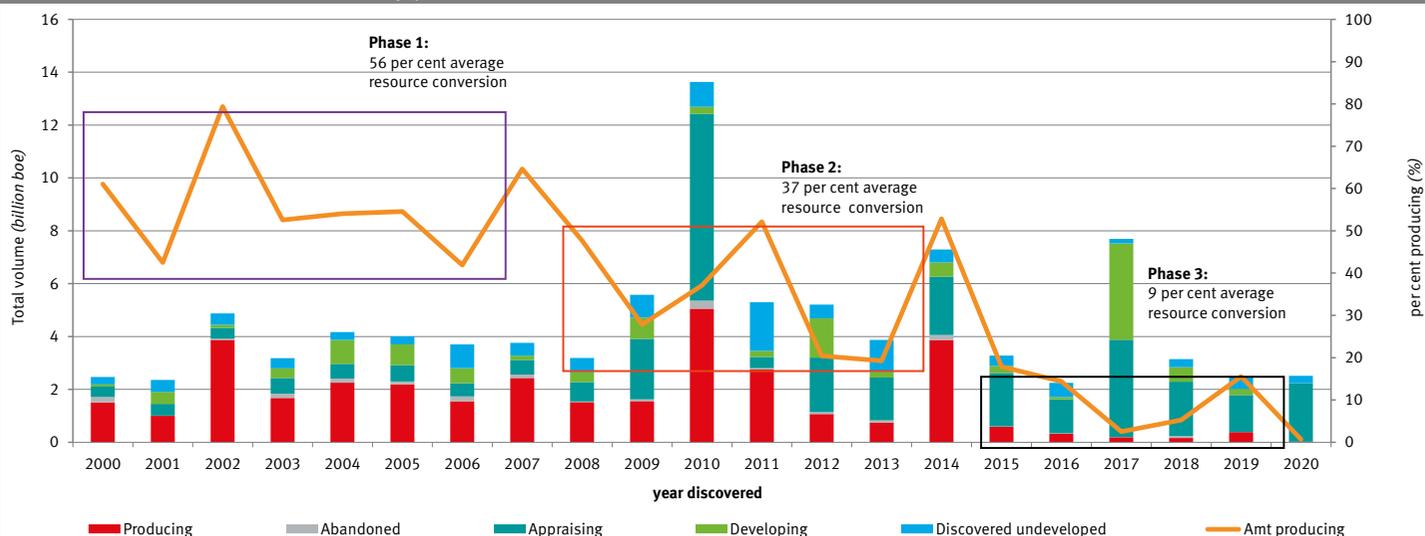
Saudi Arabia and the United Arab Emirates (UAE), along with DoC participants like Bahrain and Oman, are exceptions. Fryklund noted that “a new wave of exploration is taking place,” with Saudi Arabia and the UAE “in particular looking beyond conventionals.”

Over the past 20 years, conventional North America has been the global leader in expanding resource growth through exploration, at 71 per cent, followed by Africa at 58 per cent. Exploration in many OPEC Member Countries has slowed compared to non-OPEC producing nations, Fryklund said. In fact, growth in many OPEC Member Countries along with producers in the CIS has largely come from existing fields.

Citing Iraq as one example, he sees significant resources available in the Western Desert. “There is lots of exploration potential, but it is still at the back of the bus as far as an investment goes because of the harvesting and conversion of existing fields,” Fryklund explained.



Oil fields discovered since 2000 by production status



Source: S&P Global Commodity Insights.

Uncertainty about Russian output

Responding to a question during the OPEC Academy discussion, Fryklund stressed the need to take a closer look at basins where there has not been major exploration in decades. Anxiety about the security of energy supplies in the current geopolitical environment could prod producers to seek new resources in these basins. For instance, “there is a lot of undiscovered and undeveloped gas in Algeria and Libya and a lot of it throughout North Africa,” Fryklund added.

Russia remains a wild card given the sanctions on its energy sector and uncertainties about its future production.

“We have indications from COVID-19 of how much production they can drop and then recover, and this will be another test of that,” Fryklund said. “Right now they are about a million barrels below their peak, but if they go as much as two or three, that should be an interesting challenge to think about,” he added. “As we all know, it is difficult to get some of these old fields back up and running once you shut them in.”

From wildcats to a new dynamic

Fryklund also noted that a structural change in global market dynamics is taking place. This can be traced partly to 2009 and 2010 when big oil companies began to watch their traditional double-digit rates of return sink into single digits. Investors pushed producers to do more with what they had and to shorten the timeline between exploration and actual production, with offshore Guyana an example of the latter.

“Companies and investors started losing confidence in the exploration side and it became more of a harvesting business,” the S&P senior analyst said. “Since then, despite the ups and downs of oil, the market has also been shrinking over time. That has happened at the same time as the discussion on the energy transition, and that energy transition discussion is pushing this concept of an industry that is shrinking forever.”

The industry structure has changed along with these perceptions, he added, pointing out that European firms have begun to invest heavily in more diversified energy portfolios, including power generation through renewables. Producers in other regions remain focused on traditional markets and decarbonizing their operations.

Advantaged basins

In this respect, there are many opportunities for OPEC Member Countries and their National Oil Companies (NOCs).

In discussing what he called ‘advantaged basins’, Fryklund noted that many OPEC NOCs enjoy relatively low-cost production, high crude quality and are close to growth markets of the future. These will be important as investors — as well as consumers — demand more from producers.

Pointing to the example of the Rovuma Basin gas development project offshore Mozambique, Fryklund said: “In more than ten years we don’t have one dollar coming out of there, we don’t have one molecule coming out of there. That is not going to be tolerated going forward. Those kinds of projects will not be advantaged and may get left behind as we transition because there are things that are much easier to put online.”

Being close to consumers is also going to be increasingly important. “This is why some of your Member Countries have built refineries and petrochemical plants in Asia so they can get those molecules to where they are consumed,” Fryklund said. “There has been a flip where consumers are driving the market rather than producers. So access is an advantage.”

A further plus for OPEC Member Countries is that they are located in what Fryklund called ‘super basins’, or areas with major renewable potential on top of their advantaged hydrocarbons.

Drawing the strengths of both can be beneficial to these producers. For instance, replacing oil or gas currently used in the production process or in electricity generation with solar, wind or other renewables could lead to improvements in efficiency, lower operational costs and reduce the industry’s environmental footprint. All are pluses in terms of global competition. Harnessing technologies such as carbon capture and storage and using rather than flaring methane could also free up barrels of oil for export, the analyst explained.

“Why should we drill for a barrel when quite frankly all we need to stop consuming that as heating oil or for electricity generation and replace it renewables so the barrel can be sold,” Fryklund said in his presentation. “That’s our cheapest barrel.”

Fryklund foresees more alliances between NOCs and their international counterparts to harness the complementary power of hydrocarbons and renewables. In his response to one question, Fryklund cautioned that there is a continued need for oil and oil exploration and that the energy transition is not a clear-cut solution to the energy future.



L–r: Bob Fryklund, S&P Global Chief Strategist and Vice-President; receiving a certificate of appreciation from Dr Ayed S Al-Qahtani, Director of OPEC’s Research Division; with Behrooz Baikalizadeh, Head, Petroleum Studies Department.

Oil companies that scale back their investment in traditional resources to focus on renewable risk substantially reducing their rates of return, he noted, creating conflicts with investors, as well as growth potential.

Fryklund also stressed that the transition is not without risks. Incidents like the Texas ‘ice age’ in February 2021 — when extreme winter weather overwhelmed the state’s renewables-dependent power grid — and Europe’s efforts to wean itself off Russian oil and gas are a “wake-up call” when it comes to the transition.

Such incidents show that “hydrocarbons are going to get funded,” he said, “but only those that can demonstrate that they are advantaged.”

‘A dear friend of the Academy’

Fryklund’s presentation and the discussion that followed marked the first time an OPEC Academy guest speaker has appeared at the Secretariat since the first COVID-19 containment efforts were introduced in March 2020.

Fryklund is “a dear friend of the OPEC Academy,” Dr Al-Qahtani said in welcoming the S&P chief strategist. Participants attended the 90-minute event both in person at the OPEC Secretariat and by video link.

Al-Qahtani noted that Fryklund’s presentation touched on very relevant issues related to future oil production, investment and global climate policy.

“It is comforting to see [from the presentation] that oil will be with us for the foreseeable future,” the OPEC Research Director said. But he added: “Oil producing countries and companies are torn between many very significant forces, be it climate and the climate change agenda on the one hand, and cost of things on the other.”

Building bridges

While visiting the OPEC Secretariat, Bob Fryklund also took time out to chat with the OPEC Bulletin about the annual CERAWeek conference in Houston, organized by S&P Global, the importance of OPEC's participation, and the role the OPEC Secretary General, Mohammad Sanusi Barkindo, has played in expanding dialogue with a plethora of US energy industry stakeholders.



Bob Fryklund (l), with Bulletin Editor, James Griffin.

“His (Barkindo) willingness to engage with all kinds of folks at CERAWeek has absolutely made a difference,” says Fryklund. “He is extremely engaging, warm and open, accessible to everyone. He is always happy to talk; he shows the human side of OPEC.”

Dialogue with US stakeholders has been a central plank of Barkindo’s expansion of the Organization’s dialogues during his six-year tenure as Secretary General. At CERAWeek this harks back to March 2017, when Barkindo and an accompanying OPEC delegation set out to build bridges and learn more about the US oil and gas industry.

This included informal gatherings with US independent producers, which one Bloomberg journalist at the time labeled ‘Breaking Bread’, and with financial community participants.

Fryklund who was directly involved in bringing OPEC and the US independents together says: “There was a dialogue that was initiated between the two ... and this dialogue has been very helpful to at least help people on a personal level to have an opportunity to meet, and understand a little more about each other.”

He adds that it has been mutually beneficial. “Both



Bob Fryklund (second r), during his visit to Mohammad Sanusi Barkindo (second l), OPEC Secretary General; with Nadir Guerer (r), Senior Research Analyst; and Jasmina Bosto (l), Senior Executive Secretary.

parties have a common interest to provide affordable and secure energy to consumers. The dialogue was a means to explore the issues and challenges that those attending faced.”

It was a discussion that was long overdue, and had become increasingly pertinent given shale’s inexorable rise in the early 2010s. Fryklund says: “As part of the education process, it opened up OPEC’s understanding of the US supply picture, and many independents to a better understanding of global markets. They each took a harder look at how the other operated in the oil market.”

The CERWeek dialogues have evolved positively over the years, and Fryklund stresses that one of the reasons for this is Barkindo’s “appreciation of the situation that this was a means to build bridges to better understand each other. His vision and his willingness to take a chance, to develop relationships with people and find common understandings, were critical to the process.”

The value of the dialogue, and the personal trust and friendships that have evolved, were evidently beneficial when the oil industry was hit hard by the COVID-19 pandemic in the second quarter of 2020. “There was a common understanding of the questions that had to be dealt with by both OPEC and the independents, as they navigated the downturn in their own ways,” says Fryklund, when recalling the upheavals witnessed by producers and operators at the time.

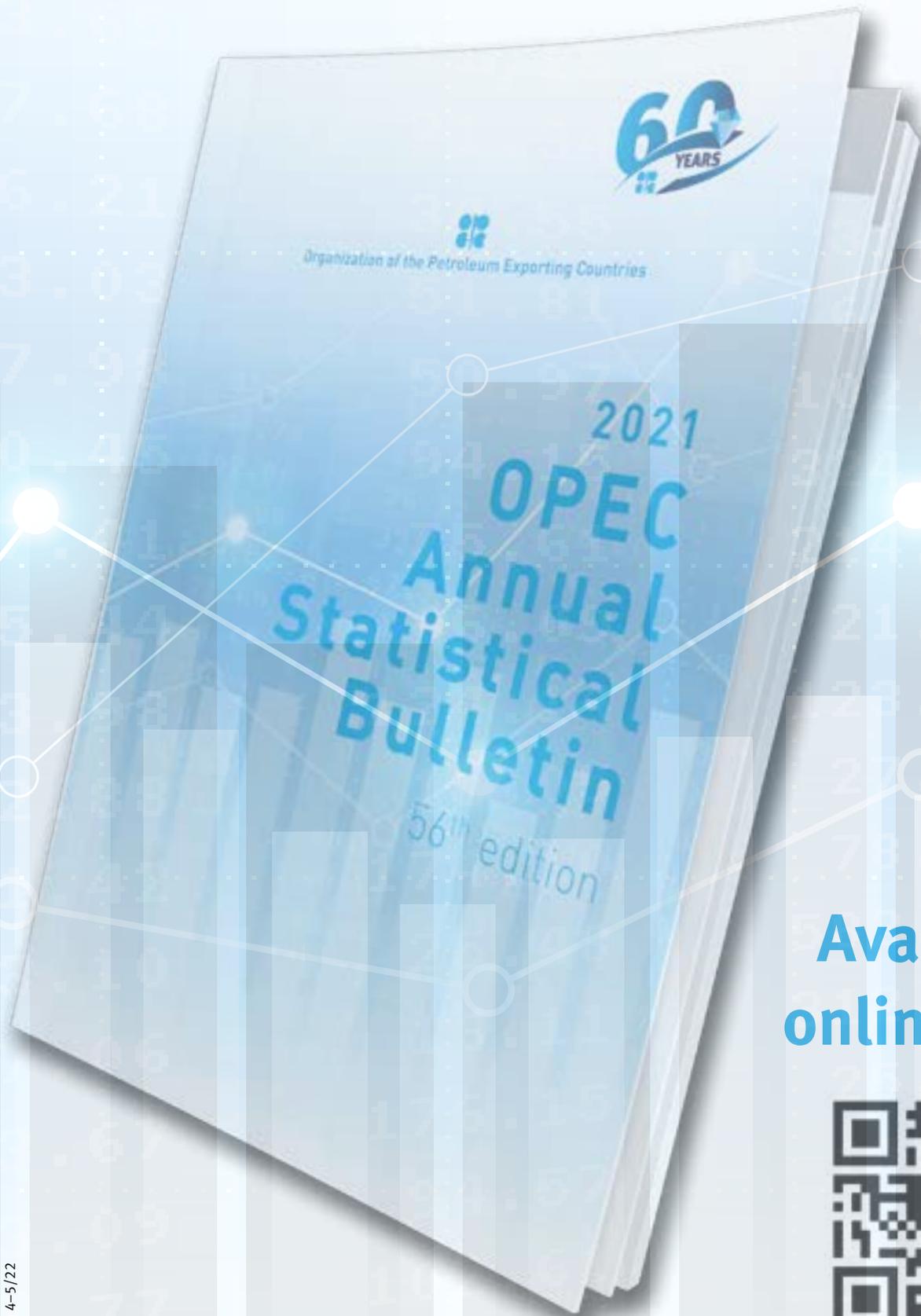
Longer-term challenges

Fryklund also talks of some of the longer-term challenges facing the oil industry, specifically the energy transition, climate change and industry investments.

He notes that it is evident that the industry has a narrative and image issue. From this perspective, he highlights the importance of evolving a better understanding of issues around energy security, energy affordability, reducing emissions, financing, and the role the oil industry is playing, and can play, in the future energy transition.

“I often say that the oil industry is currently on trial with the public. What is it doing? What is its purpose? These need to be better explained. There is definitely common ground in the dialogues, as noted by the Secretary General. Common solutions can be found when looking at these challenges.”

Given Barkindo’s role in advancing the dialogues and evolving personal relationships, Fryklund believes it is important that the Secretary General continues to be involved in the industry, one way or other, when his tenure ends. He says: “While the Secretary General is closing one chapter in his career he is opening another where he can continue to help educate consumers about our business, which is one of life’s essential elements.”



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July 31, 2022

Introduction

Few topics are more important for the future of energy than the *energy transition*. Yet the subject is complex, affected by a range of issues and policy frameworks, as well as the factors that drive supply and demand in the oil market. It is closely tied to the issues of energy poverty, sustainable development and the need for a just and equitable transition for all. To examine these issues, the OPEC Secretariat intends to publish a Special Edition of its OPEC Energy Review on the *energy transition*. Interested authors are cordially invited to submit their original, unpublished work focusing on topics related to the *energy transition*.

The relevant topics include, but are not limited to:

- › The impact of the *energy transition* on the global economy;
- › Energy access and energy poverty alleviation;
- › Sustainable development;
- › Ensuring energy security during the *energy transition*.

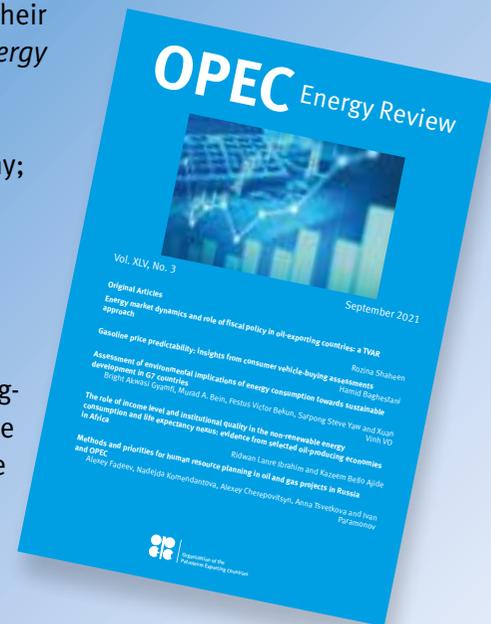
Manuscript submission Information

Authors should submit their manuscripts by registering and logging into the website <https://mc.manuscriptcentral.com/opecl>. The deadline for submission is July 31, 2022, as stated in the timeline below. A peer-review process will follow. Submitted manuscripts should not have been published previously, nor be under consideration for publication elsewhere.

Timeline of the OER Special Edition – *The energy transition*

1. Paper submission deadline: by July 31, 2022;
2. Decision notice to authors: by September 30, 2022;
3. Special Edition publication: November 30, 2022.

For further information, please contact Dr Mohamed Khalefa Sarrab (focal point of the OER Special Edition and Deputy Editor-in-Chief of the OER) at msarrab@opecl.org.



OPEC Energy Review
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Aramco and Hyundai Motor Group collaborate on advanced fuels for hybrid electric vehicles

Aramco, Hyundai Motor Group, and the King Abdullah University of Science and Technology (KAUST), have agreed to jointly research and develop an advanced fuel for an ultra lean-burn, spark-ignition engine that aims to lower the overall CO₂ emissions of a vehicle.

The two-year partnership seeks the development of an optimal fuel formulation for use in combination with a novel combustion system coupled with an electrified hybrid vehicle.

The research team aims to unleash greater CO₂ reduction potentials by deploying Hyundai Motor Group’s ultra-lean burn combustion design in a modern hybrid vehicle.

Each party brings unique expertise to the partnership. Aramco, which has significant R&D and operational experience in fuel formulations, will leverage in-house expertise to carefully design an optimal fuel formulation. Hyundai Motor Group, with its automotive and technology leadership, will provide a state-of-the-art ultra-lean

gasoline engine for use by the research team. The tests will be conducted by researchers in the Clean Combustion Research Center (CCRC) at KAUST.

Ahmad O Al-Khowaiter, Aramco’s Chief Technology Officer said: “As hybrid electrical vehicles are rolled out, the real challenge now lies in making strides with optimal fuels and exceptional combustion systems. The Aramco team provides fuel design and blending know-how to improve Hyundai Motor Group engine combustion performance and the outcome could lead to the application of synthetic e-fuels. This is a space in which we are pushing boundaries and we are excited to be part of it.”

Aramco’s R&D efforts aim to accelerate transportation technologies that can reduce emissions and improve fuel efficiency. This entails partnerships with leading automakers worldwide through the company’s research centres in Dhahran, Paris, Detroit, and Shanghai. ❏



Sonatrach and Eni expand natural gas cooperation

Algeria’s National Oil Company, Sonatrach, and Italy’s, Eni, have agreed to further strengthen their ongoing cooperation in natural gas.

The agreement was signed in Algiers by Toufik Hakkar, Sonatrach’s CEO, and Claudio Descalzi, Eni’s CEO, and in attendance were Abdelmadjid Tebboune, President of Algeria, and Mario Draghi, Italy’s Prime Minister. The event took place during Draghi’s visit to the OPEC Member Country, and was attended by Mohamed Arkab, Algeria’s Minister of Energy and Mines and Head of its Delegation to OPEC, among other dignitaries.

The visit focused on enhancing cooperation in the energy domain between the two nations. For example, the agreement aims to help increase exports of Algerian

gas through the TransMed/Enrico Mattei pipeline, according to a press release. The statement also emphasized that the cooperation will allow the full use of the pipeline’s available capacity and can provide up to nine billion cubic metres per year in 2023–24.

Thanking Algeria and its leadership, Descalzi stated: “Today is a special day for the relations between Italy and Algeria, in particular for Eni and Sonatrach. Thanks to the close long-standing collaboration between the two companies, it was possible in a short time and with an enormous joint effort to sign this important agreement that further consolidates the partnership between the companies and strengthens the cooperation between our countries.” ❏



OPEC bulletin 4–5/22

Reuters

Iranian NPC continues to strengthen national petrochemical sector



The National Petrochemical Company (NPC) of the IR Iran has announced the successful conclusion of its production plan for the previous year, which ended on March 20.

Highlighting the company's success, Morteza Shahmirzaei, NPC's CEO, said: "The NPC status has become much stronger after privatization," noting that it is more dynamic today than before. He also stressed the importance of precise planning and monitoring in this regard.

The CEO also emphasized that policies and plans developed to advance the petrochemical sector should be objective. "Any industrial development programme that is based on science and expertise and away from tendencies and prejudices must be continued," he stated.

Shahmirzaei also encouraged investments in the petrochemical sector of the OPEC Founder Member, including international ones.

"The general space for foreign investors to join IR Iran's petrochemical industry has been prepared and preparations have been made to increase international interactions in the petrochemical industry," the CEO stressed.

Shahmirzaei also noted the importance of the ongoing petrochemical development plans in helping IR Iran achieve a self-sufficiency status in respect to petrochemicals.

According to Shana, around 68 petrochemical projects are planned that require a total investment of around \$36 billion.

ADNOC celebrates successful first year of Murban Futures Contract



Abu Dhabi National Oil Company (ADNOC), Intercontinental Exchange (ICE) and partners in ICE Futures Abu Dhabi (IFAD) have officially celebrated the first anniversary of trading of the Murban Futures Contract on the IFAD commodities exchange.

IFAD began operations on March 29, 2021, and during its first year, the equivalent of around 1.5 billion barrels of Abu Dhabi's flagship lower-carbon Murban crude oil was traded on the exchange.

IFAD has attracted over 90 market participants and Murban is now more widely available to both physical purchasers of crude oil and financial market participants around the world, reinforcing the UAE's role as a reliable global energy supplier.

The introduction of the Murban Futures Contract was backed by ICE, ADNOC and nine of the world's largest energy companies who joined IFAD as founding partners; BP, GS Caltex, INPEX, ENEOS, PetroChina, PTT, Shell, TotalEnergies and Vitol.

Dr Sultan Ahmed Al Jaber, Minister of Industry and Advanced Technology and ADNOC Managing Director and Group CEO, said: "As we celebrate the anniversary ... we pay tribute to Abu Dhabi's visionary leadership whose bold decisions to move to forward pricing, to use a market-driven pricing mechanism and to remove destination restrictions on Murban, have transformed how Murban is bought and sold around the world."

The continual growth of the trading ecosystem at Abu Dhabi Global Market (ADGM), including the establishment of ADNOC Global Trading, ADNOC Trading and the opening of trading offices for both India's Reliance Industries and Thailand's PTT, signals the growing importance of Abu Dhabi as a trading hub.



Dr Sultan Ahmed Al Jaber, Minister of Industry and Advanced Technology and ADNOC Managing Director and Group CEO.



L-r: Ammar Abdulhafedh; Professor Dr Johannes Pollak, Rector of the Webster University Vienna; Asma Barkindo; with her father Mohammad Sanusi Barkindo, OPEC Secretary General.

OPEC youngsters continue to climb the academic ladder

*On Saturday, May 14, 2022, two members of the OPEC Family celebrated years of educational excellence and exceptional achievements. **Asma Mohammad Barkindo** and **Ammar Hasan Abdulhafedh** both graduated from Webster University in Vienna, which marks their latest academic accomplishment.*

In an ever-evolving world, education has always been an important pillar and vital platform to enable humans to garner knowledge, effect personal growth and contribute positively to the global community. Education is one of the most important investments a person can make in their future.

The late Nelson Mandela, who served as President

of South Africa from 1994–99, once said: “Education is the most powerful weapon which you can use to change the world.”

In this spirit, Webster University held a graduation ceremony on May 14, 2022, at the prestigious Hofburg Palace in Vienna’s historic first district to celebrate the excellent achievements of its 2022 class and allow



L-r: Asma’s mother Hadizah Barkindo, Mohammad Sanusi Barkindo, Asma Barkindo, Ammar Abdulhafedh, and Ammar’s father Hasan Hafidh.

students to share these moments of success and happiness with their parents, families and friends.

Ambitious Asma Barkindo completed her bachelor’s studies in management, while aspiring Ammar Abdulhafedh obtained a bachelor’s degree in international relations. Both are nationals of OPEC Member Countries: Nigeria and Iraq, respectively.

Professor Dr Johannes Pollak, the university’s Rector, in a message, emphasized that the graduation day represents the highlight of the institution’s academic calendar. He noted that since the outbreak of COVID-19, the pandemic has had a tight grip on people’s social lives, but he hoped that this was now part of history.

The Rector underscored: “Your achievements are impressive. The obstacles you surmounted in your last year amid another batch of lockdowns and remote classes were considerable, but you did it!

“We witnessed nothing but a triumph of science — the triumph of a trusted and tested way to produce knowledge.”

Following the graduation ceremony, Asma Barkindo said: “I am very excited that I have completed my bachelor’s degree in management, which I hope will help me to pursue new adventures in the future, achieve further success and eventually serve my home country Nigeria.”

Ammar Abdulhafedh highlighted that “while this journey has ended — with an extraordinary moment of happiness — it has without doubt equipped me with the necessary skills and knowledge to embark on an exceptional professional career and rise to any challenges I may face.”

Both students also thanked their parents and families for the endless support they have received throughout their academic journey.

The *OPEC Bulletin* takes this opportunity to wish both graduates success and to flourish in all future endeavours. ■■



L-r: Hasan Hafidh, Officer-in-Charge of OPEC’s PR & Information Department; Ammar Abdulhafedh; Ammar’s mother, Anhar Turki; and Asma Barkindo.

Webster University

Webster University was established in 1915.

According to its website, the University aims to “ensure high-quality learning experiences that transform students for global citizenship and individual excellence.” The institution embraces the principles of diversity and inclusion — two of OPEC’s key values.

Inaugural OPEC Fund Development Forum to discuss ‘Driving Resilience & Equity’

Global leaders invited to share experience, express views and move to concrete action.

By Axel Reiserer, OPEC Fund

Squaring the circle between targeting climate resilience with the goal of ensuring equitable access to energy will be the main theme of the inaugural OPEC Fund Development Forum in Vienna on June 21, 2022, discussing ‘Driving Resilience & Equity’. Global leaders, policymakers, heads of financial and development institutions, business representatives and senior experts are expected to share their experience, exchange views and devise concrete action.

OPEC Fund Director-General Dr Abdulhamid Alkhalifa said: “We are convening this forum to mobilize momentum at a time when there is a real danger that these urgent issues will slip behind on the global agenda. Our conference will raise awareness, renew our commitment and pave the way to concrete action. Solutions to global challenges such as climate change, energy transition, or other urgent needs must be crafted smartly and inclusively so as to work for everyone — every country, every society and every household.”

The event will take place at the Hofburg, the former principal imperial palace located in the centre of Vienna. Following an opening address by the OPEC Fund Director-General and keynote speeches, the event will highlight critical questions such as: how to strike the right balance between ensuring climate health and essential energy access; how innovations in technology as well as financing mechanisms can fundamentally transform delivery; and what it will ultimately take to translate joint ambitions into on-the-ground development action and impact.

Leveraging its position as a globally active

development partner the OPEC Fund intends to establish the Development Forum as a regular feature in the calendar of international conferences with the goal of accelerating progress in the delivery of the SDGs. The United Nations has indicated in recent reports that both the Sustainable Development agenda and more specifically the climate change agenda are behind target. Recent geopolitical events have caused further disruption and are severely affecting many developing countries with basic needs such as food supplies.

The Development Forum will follow consultations of the Arab Coordination Group, an organization dedicated to economic and social development. The heads of the Abu Dhabi Fund for Development (ADFD), the Arab Bank for Economic Development in Africa (BADEA), the Arab Fund for Economic and Social Development (AFESD), the Arab Gulf Program for Development (AGFUND), the Arab Monetary Fund (AMF), the Islamic Development Bank Group (IsDBG), the

EVENT:
Inaugural
OPEC Fund
Development
Forum



Kuwait Fund for Arab Economic Development (KFAED), the OPEC Fund for International Development, the Qatar Fund for Development (QFD) and the Saudi Fund for Development (SFD) are invited to meet on June 20, 2022, at the OPEC Fund’s Headquarters in Vienna.

A busy events week will come to a close with the annual meeting of the OPEC Fund Ministerial Council, the highest decision-making body of the organization, on June 22, 2022, and the 180th Session of the OPEC Fund Governing Board on June 24, 2022, which will be chaired by Director-General Dr Alkhalifa.





Debut of the rookie team brings runners from developing countries to this international event.
By Nicholas K Smith, OPEC Fund

OPEC Fund sponsors ‘Rookie runners’ from developing countries

For the 12th time, the OPEC Fund for International Development was one of the main sponsors of the Vienna City Marathon, which took place on April 24, 2022.

Runners from the OPEC Fund, as well as family members joined an estimated 32,000 other participants who took part in this year’s series of races. The Fund also hosted a hospitality tent at the finish line that drew staff members and their families.

The race is one of the largest sporting events in Austria and the course passes by OPEC Fund’s headquarters on the historic Ringstrasse. The event marks an ideal

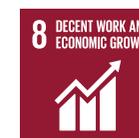
opportunity to demonstrate the Fund’s strong ties with its host city Vienna.

This year marked the debut of the OPEC Fund Marathon rookie team, a joint initiative with the marathon organizers that gave runners from developing countries the opportunity to take part in the event. Victor Serem and Dickson Kiptoo, two young men from Kenya, and Fanose Tessema Gonfa and Chaltu Fikasu Marama, two young women from Ethiopia, demonstrated their potential to race at the highest level on a stage that regularly attracts professional runners from all over the world.

The rookies delivered beyond expectations

with Dickson finishing 11th and Victor 12th in the men’s race, while Chaltu finished 10th and Fanose 13th in the women’s marathon. Austrian media, as well as specialized websites reported the results. The Fund’s support allowed the members of the rookie team to complete an integral step in their careers as runners.

This is not the first time the OPEC Fund has hosted a special programme during the Vienna City Marathon weekend. In 2016, the Fund sponsored 100 children from two Viennese schools that have integrated students from refugee and asylum-seeking families into established classrooms.



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Summer oil market outlook

April 2022

At a global level, as most countries relaxed lockdown measures imposed during the COVID-19 pandemic, oil demand in 1Q22 witnessed strong growth of almost five million barrels/day (m b/d) y-o-y. However, due to recent geopolitical developments in Eastern Europe, 2Q22 and 3Q22 are both forecast at growth of 3.5m b/d y-o-y.

Nevertheless, demand in the summer months is anticipated to be driven by increasing mobility, leading to a further pickup in gasoline demand, while diesel requirements are projected to continue on a healthy upward trend. The US is expected to see the bulk of this product demand growth, increasing by around 900,000 b/d in 2Q22 and 3Q22, y-o-y. Although OECD Europe is strongly impacted by the current geopolitical developments, the region is expected to see demand growth of around 500,000 b/d y-o-y on average in 2Q22 and 3Q22, with the impact of COVID-19 expected to fade in the summer season.

In the non-OECD countries, India's oil demand picked up strongly from the contraction seen in 4Q21 to average growth of 300,000 b/d y-o-y in 1Q22. Gasoline and diesel demand have already surpassed 2021 levels as lockdown measures were mostly removed and as the recovery gained traction. However, China is confronted with a resurgence of COVID-19, causing oil demand growth in 1Q22 to drop to 400,000 b/d, y-o-y, from 800,000 b/d growth seen in 4Q21.

For 2Q22 and 3Q22, global oil demand is expected to grow by 3.5m b/d, y-o-y, on average. The 2Q22 gasoline and diesel demand is expected at 25.4m b/d and 27.7m b/d, respectively. Moreover, 3Q22 is projected to recover and surpass pre-pandemic levels, with global gasoline demand forecast at 27.5m b/d and diesel at 29.0m b/d.

On the refining side, the heavy refinery turnaround season is expected to drive global offline capacity to a peak in April 2022, before declining again thereafter. This should lead to a return of

nearly 5.0m b/d of capacity for operations by July 2022, supporting refinery intakes. At the same time, the increasingly tight global product balance will drive refinery intakes.

Total OECD commercial product inventories in February were around 150m b below the latest five-year average, with gasoline and distillate inventories standing at 27m b and 84m b below the latest five-year average. The combination of restricted fuel supplies and low product inventory levels, amid projections of rising product consumption during the summer season, could lead to a tighter product supply-demand balance, with a significant shortage in gasoline and distillates.

The geopolitical tensions in Eastern Europe are expected to dislocate product supply to other regions, lending support to refinery intakes in those regions. Indeed, the US has increased diesel exports to Europe and Latin America, with waterborne diesel exports out of the US Gulf Coast having climbed notably in late March, nearly reaching the highest level seen in over two years. Refinery intakes are also expected to pick-up in Asia and the Middle East in the coming months, in an attempt to make up for any shortfall in product supply.

Given the current uncertainty surrounding the recent developments, the geopolitical turmoil and the outlook for the summer months, the countries participating in the 'Declaration of Cooperation' continue to reaffirm their unwavering commitment to supporting oil market stability by ensuring adequate crude oil supply to the global market.



MOMR ... oil market highlights

April 2022

Crude oil price movements — Crude oil spot prices rose for the third-consecutive month in March. The North Sea Dated benchmark gained more than \$20/b on a monthly average and WTI gained almost \$17/b, on the back of escalating geopolitical tensions in Eastern Europe and concerns this might result in large oil supply shortages, amid trade dislocations. The OPEC Reference Basket price increased \$19.53, or 20.8 per cent, to settle at \$113.48/b. Oil futures prices witnessed elevated volatility due to the uncertain short-term oil supply and demand outlook. The ICE Brent front month rose \$18.36, or 19.5 per cent, to average \$112.46/b and NYMEX WTI gained \$16.63, or 18.1 per cent, to average \$108.26/b. Consequently, the Brent/WTI futures spread widened further by \$1.73 to average \$4.20/b. The market structure of all three major crude benchmarks — ICE Brent, NYMEX WTI and DME Oman — remained in steep backwardation. Hedge funds and other money managers cut net long positions in Brent and WTI-related futures contracts.

World economy — World economic growth in 2022 is revised down to 3.9 per cent from 4.2 per cent in the previous month's assessment. This takes into account the impact of the conflict in Eastern Europe, as well as the ongoing effects from the pandemic, with the risks skewed to the downside. This follows growth of 5.8 per cent in 2021, which represents a minor revision from last month. US GDP growth for 2022 is revised down to 3.8 per cent from four per cent, after growth was reported at 5.7 per cent for 2021. Euro-zone economic growth for 2022 is revised down to 3.5 per cent from 3.9 per cent, following growth of 5.3 per cent in 2021. Japan's economic growth for 2022 is revised down to 1.9 per cent from 2.2 per cent, after growth of 1.7 per cent in 2021. China's 2022 growth is revised down to 5.3 per cent from 5.6 per cent, after growth of 8.1 per cent in 2021. India's 2021 GDP growth is reported at 8.1 per cent, while the growth forecast for 2022 remains at 7.2 per cent. Brazil's 2022 growth is revised down to 1.2 per cent from 1.5 per cent, following growth of 4.6 per cent in 2021. Russia's 2022 growth is revised down to show a contraction of two per cent, following reported growth of 4.7 per cent in 2021. The continuing pandemic, rising inflation, aggravated supply chain issues, high sovereign debt levels in many regions and expected monetary tightening by central banks in the US, the UK, Japan and the euro area require close monitoring.

World oil demand — World oil demand growth in 2021 is revised slightly down by 40,000 b/d,

reflecting actual data across the regions, standing now at 5.7m b/d. The downward revision is necessitated by an upward revision to the 2020 baseline. Oil demand in the OECD increased by 2.6m b/d in 2021, while the non-OECD showed growth of 3.1m b/d. For 2022, world oil demand growth is revised down by 500,000 b/d to stand at 3.7m b/d, mostly reflecting the downward revision in world economic growth. Oil demand growth is forecast at 1.9m b/d in the OECD and 1.8m b/d in the non-OECD.

World oil supply — Non-OPEC liquids supply growth in 2021 is broadly unchanged at around 600,000 b/d y-o-y. Total US liquids production in 2021 increased by 100,000 b/d, y-o-y. The largest growth increases were seen in Canada, Russia and China. Meanwhile, production is estimated to have declined in the UK, Brazil, Colombia and Indonesia. Non-OPEC supply in 2022 is revised down by 300,000 b/d to 2.7m b/d, mainly on the back of a downward revision for Russia. On the other hand, the US liquids supply growth forecast for 2022 is revised up by 300,000 b/d to 1.3m b/d. The main contributors to liquids supply growth in 2022 are expected to be the US, Russia, Brazil, Canada, Kazakhstan, Guyana and Norway. OPEC NGLs are forecast to grow by around 100,000 b/d both in 2021 and 2022, averaging 5.1m b/d and 5.3m b/d, respectively. In March, OPEC-13 crude oil production increased by 57,000 b/d, m-o-m, to average 28.56m b/d, according to available secondary sources.

Product markets and refining operations — Refinery margins jumped in all main trading hubs in March, as product prices soared in response to a growing product supply-demand imbalance. A decline in total product output levels, amid the onset of a heavy turnaround season, resulted in a notable and disproportional rise in product netbacks relative to crude prices. Moreover, in contrast to other regions, US refinery runs trended higher over the month, with gasoline availability showing signs of recovery. However, middle distillate availability continued to contract beyond the already low levels. This resulted in massive upward pressure on product prices and the robust performance of middle distillate markets, particularly in Europe.

Tanker market — Tanker markets are being broadly impacted by uncertainties related to the conflict in Eastern Europe, which is expected to affect trade patterns. Aframax and Suezmax freight rates, the main vessels used to transport Black Sea flows, have particularly been ef-

fecting. Aframax spot freight rates around the Mediterranean are up more than 70 per cent in March from January levels, while spot Suezmax rates in the Atlantic basin are some 50 per cent higher over the same period. Clean rates have also seen strong support on all monitored routes, particularly on the Mideast-to-East route.

Crude and refined products trade — Preliminary data shows US crude imports increased three per cent, m-o-m, in March to average 6.4m b/d, while crude exports gained eight per cent, m-o-m, from the low levels witnessed in the previous month to average 3.1m b/d. US product exports surged 22 per cent, m-o-m, up from a weak performance the month before. In China, the latest data shows crude imports averaged 9.5m b/d in February, down from the strong performance seen the month before as the Lunar New Year Holidays and Winter Olympics reduced refinery runs. India's crude imports recovered some of the January losses, averaging 4.6m b/d in February, as domestic demand continued to accelerate following the tapering off of the third wave of COVID-19 infections. Japan's crude imports averaged 2.8m b/d in February, amid higher product exports.

Commercial stock movements — Preliminary data sees total OECD commercial oil stocks down 22.8m b, m-o-m, in February. At 2,599m b, they were 372m b less than the same time one year ago, 334m b lower than the latest five-year average, and 321m b below the 2015–19 average. Within the components, crude stocks rose by 700,000 b, m-o-m, while products stocks fell by 23.5m b, m-o-m. At 1,254m b, OECD crude stocks were 185m b less than the latest five-year average and 194m b below the 2015–19 average. OECD product stocks stood at 1,345m b, representing a deficit of 148m b compared with the latest five-year average, and 128m b below the 2015–19 average. In terms of days of forward cover, OECD commercial stocks fell by 0.6 days, m-o-m, in February to stand at 57.3 days. This is 11.0 days below February 2021 levels, 8.6 days less than the latest five-year average, and 5.2 days lower than the 2015–19 average.

Balance of supply and demand — Demand for OPEC crude in 2021 is revised up by 100,000 b/d from the previous month's assessment to stand at 28.1m b/d, which is around 5.0m b/d higher than in 2020. In contrast, demand for OPEC crude in 2022 is revised down by 100,000 b/d from the previous month's assessment, to stand at 29.0m b/d, which is around 800,000 b/d higher than in 2021.

The feature article and oil market highlights are taken from OPEC's Monthly Oil Market Report (MOMR) for April 2022. Published by the Secretariat's Petroleum Studies Department, the publication may be downloaded in PDF format from our Website (www.opec.org), provided OPEC is credited as the source for any usage. The additional graphs and tables on the following pages reflect the latest data on the OPEC Reference Basket and crude and oil product prices in general.

Non-OPEC oil supply development

May 2022

In 2021, non-OPEC supply increased by 590,000 b/d. US liquids production increased by 150,000 b/d y-o-y, mainly on the back of increased NGLs output from non-conventional basins and a few project start-ups in the Gulf of Mexico. At the same time, US tight crude and condensate production decreased by 70,000 b/d, with all major US shale basins showing drops, except for the Permian. Output in the Permian increased by 200,000 b/d y-o-y, supported by a lower breakeven price and higher drilling rig activities. Cumulative production in Canada rose by around 300,000 b/d as production from oil sand basins hit a high of 3.3m b/d in October 2021. China, Guyana, Argentina and Norway also contributed to production growth in 2021. This was offset by a cumulative supply decline of 600,000 b/d, mainly from the UK, Brazil, Colombia and Indonesia.

Spending for oil and gas exploration and production (E&P) in non-OPEC countries increased by \$16 billion in 2021 to \$350bn, and is expected to rise by around 14 per cent in 2022. On a country level, E&P spending for 2022 is forecast to increase in Brazil, the US, Canada, and Norway by 36 per cent, 28 per cent, 15 per cent, and 11 per cent, respectively.

However, the overall level remains below pre-pandemic levels and significantly below the high of \$749bn seen in 2014. Upstream spending by major international companies has increased in response to higher oil prices and world oil demand growth, but remains lower than the level seen in 2019, as major shale producers continue to focus on capital discipline to improve their balance sheets.

For 2022, non-OPEC liquids supply is forecast to grow y-o-y by 2.4m b/d, a downward revision of 300,000 b/d from the previous month's assessment. This is on the back of geopolitical developments and the impact of sanctions on Russian oil imports.

Liquids output in the OECD is expected to increase by 1.6m b/d, on the back of production increases in the US, Canada, and Norway. US crude oil production is anticipated to grow by 900,000 b/d, y-o-y, with NGLs and biofuels production set

to rise too. In the US, the oil rig count has rebounded from 287 units in January 2021 to 552 units in the last week of April 2022. Moreover, US core oil frac operations continue to show steady increases.

Canadian oil production, particularly Alberta's oil sands, is forecast to grow by 160,000 b/d y-o-y.

Production growth in the North Sea and OECD Europe countries is projected at around 100,000 b/d, supported by the start-up of the second phase of the Johan Sverdrup field development in 4Q22, which is projected to add 220,000 b/d to Norway's output.

In the non-OECD region, total liquids output growth is forecast at 700,000 b/d y-o-y. Latin America is the key driver of this supply growth. It is forecast to increase by 270,000 b/d y-o-y in 2022, mainly from two offshore start-ups of Mero-1 and Peregrino Phase 2 in Brazil and Liza-2 FPSO in Guyana. Kazakhstan and China's liquids output are also expected to rise, by 140,000 b/d and 80,000 b/d, respectively.

Uncertainties to the forecast remain large, especially given recent geopolitical developments in Eastern Europe. Moreover, high inflation levels, coupled with labour shortages and tighter monetary policies by major central banks may also impact the cost of oil production and investment levels in the upstream beyond the short term. Indeed OPEC Member Countries and countries participating in the DoC will continue to closely monitor market developments over the course of the year and safeguard a stable and balanced market for the benefit of all oil market participants; consumers and producers alike.



MOMR ... oil market highlights

May 2022

Crude oil price movements – Crude oil spot prices dropped in April after three-consecutive months of rises. The OPEC Reference Basket dropped by \$7.84, or 6.9 per cent, to settle at \$105.64/b. Crude futures prices declined m-o-m in April, amid elevated market volatility, fuelled by persistent uncertainty regarding market outlook. The ICE Brent front month fell \$6.54, or 5.8 per cent, in April to average \$105.92/b and NYMEX WTI decreased by \$6.62, or 6.1 per cent, to average \$101.64/b. Consequently, the Brent/WTI futures spread widened 8¢ to average \$4.28/b. The market structure of all three major crude benchmarks – ICE Brent, NYMEX WTI and DME Oman – softened significantly, but remained in backwardation. Hedge funds and other money managers kept net long positions in WTI and Brent little changed after the previous month's sharp selloff.

World economy – World economic growth in 2022 is revised down to 3.5 per cent from 3.9 per cent in last month's assessment, following growth of 5.8 per cent in 2021. US GDP growth for 2022 is revised down to 3.2 per cent from 3.8 per cent, after growth was reported at 5.7 per cent for 2021. Euro-zone economic growth for 2022 is revised down to 3.1 per cent from 3.5 per cent, following growth of 5.4 per cent in 2021. Japan's economic growth for 2022 is revised down to 1.8 per cent from 1.9 per cent, after growth of 1.7 per cent in 2021. China's 2022 growth is revised down to 5.1 per cent from 5.3 per cent, after growth of 8.1 per cent in 2021. India's 2022 GDP growth was revised down to 7.1 per cent from 7.2 per cent, after 2021 growth stood at 8.1 per cent. Brazil's economic growth forecast for 2022 is revised down to 0.7 per cent from 1.2 per cent, following growth of 4.6 per cent in 2021. For Russia, the 2022 GDP growth forecast is revised down to show a contraction of six per cent, compared with a contraction of two per cent expected in last month's assessment, which follows reported growth of 4.7 per cent in 2021. Challenges related to ongoing geopolitical tensions, the continued pandemic, rising inflation, aggravated supply chain issues, high sovereign debt levels in many regions and expected monetary tightening by central banks in the US, the UK, Japan and the euro area require close monitoring.

World oil demand – World oil demand growth in 2021 remains broadly unchanged from the previous month's assessment at 5.7m b/d. World oil demand growth in 2022 is expected to increase by 3.4m b/d y-o-y, representing a downward revision of 300,000 b/d from last month's report, with 1.8m b/d in the OECD and 1.6m b/d in the non-OECD. Oil demand growth in 2Q22 is projected to

be slower at 2.8m b/d, compared with 5.2m b/d in 1Q22. Demand in 2022 is expected to be impacted by ongoing geopolitical developments in Eastern Europe, as well as COVID-19 pandemic restrictions.

World oil supply – Non-OPEC liquids supply growth y-o-y in 2021 is broadly unchanged at around 600,000 b/d. Total US liquids production is estimated to have increased y-o-y by 150,000 b/d. Non-OPEC supply growth for 2022 is revised down by 300,000 b/d y-o-y to 2.4m b/d. Russia's liquids production for 2022 is revised down by 360,000 b/d. The US liquids supply growth forecast for 2022 is broadly unchanged at 1.29m b/d. The main drivers of liquids supply growth for the year are expected to be the US, Canada, Brazil, Kazakhstan, Guyana and Norway. OPEC NGLs are forecast to grow by 100,000 b/d both in 2021 and 2022 to average 5.1m b/d and 5.3m b/d, respectively. OPEC-13 crude oil production in April, increased by 153,000 b/d m-o-m, to average 28.65m b/d, according to available secondary sources.

Product markets and refining operations – Refinery margins on all main trading hubs continued to soar in April, amid a continued tightening in global product balances, and lower crude prices. Favourable product demand-side dynamics, as the overall negative impact of Covid-19 further diminishes on a global level, strengthened fuel markets in general, including that of jet fuel, despite some mobility restrictions in a few Asian countries. Middle distillates were the main margin contributor over the month, while their margins spread widened further versus that of gasoline. Going forward, refinery intakes are expected to rise and that could provide partial relief to the global product shortage, and potentially de-pressure product prices.

Tanker market – Suezmax and Aframax rates continued to outperform those in the VLCC class, with gains of 61 per cent and 28 per cent m-o-m. The Suezmax market was supported by a strong market in the Atlantic basin while Aframax saw from support from both the East and West markets. After a sluggish start to the year, VLCC rates finally saw a pickup of 24 per cent. However, gains were short-lived dissipating by the end of the month amid ample availability. Clean rates continued to perform well, gaining a further 15 per cent. The market has been supported by strength in the East and rising activity in tanker demand West of Suez, amid preparations ahead of the driving season in the northern hemisphere.

Crude and refined products trade – Preliminary

data shows US crude imports declined to an 11-month low of 5.9m b/d in April, while exports averaged 3.4m b/d for a gain of five per cent m-o-m. US product exports strengthened for the seventh month in a row, averaging 6.4m b/d, supported by strong flows to Latin America and increasing flows to Europe. In March, China's crude imports averaged 10.1m b/d, recovering from the weak performance the month before. Recently released customs data shows China's crude imports increased to 10.5m b/d in April, despite expectations that reduced demand due to COVID-19 lockdowns would weigh on imports. China's product imports declined eight per cent, while product exports rebounded, amid unexpectedly strong gas-oil outflows. With domestic demand impacted by lockdowns, China's product outflows are likely to be higher than previously expected in April, particularly for jet fuel. India's crude imports dipped in March, but remained near the strong performance seen over the previous four months, averaging 4.5m b/d for the month. Product exports saw a robust increase of 26 per cent or about 300,000 b/d to average 1.7m b/d in March, the highest since September 2013, as Europe sought alternatives to Russian oil product flows. Japan's crude imports have risen steadily since the start of the year, averaging 2.9m b/d in March, amid healthy demand.

Commercial stock movements – Preliminary March data showed total OECD commercial oil stocks increasing m-o-m by 10.1m b. At 2,621m b, inventories were 298m b lower than the same time a year ago, 304m b lower than the latest five-year average, and 293m b below the 2015–19 average. Within the components, crude stocks rose m-o-m by 12.9m b, while products stocks fell m-o-m by 2.8m b. At 1,265m b, OECD crude stocks were 189m b lower than the latest five-year average and 198m b below the 2015–19 average. OECD product stocks stood at 1,356m b, representing a deficit of 115m b compared with the latest five-year average and 95m b below the 2015–19 average. In terms of days of forward cover, OECD commercial stocks fell m-o-m by 0.3 days in March to stand at 57.4 days. This is 8.8 days below March 2021 levels, 8.7 days less than the latest five-year average, and 5.0 days lower than the 2015–19 average.

Balance of supply and demand – Demand for OPEC crude in 2021 was revised up by 100,000 b/d from the previous month's assessment to stand at 28.2m b/d, which is around 5.0m b/d higher than in 2020. Demand for OPEC crude in 2022 was revised up by 100,000 b/d from the previous month to stand at 29.0m b/d, which is around 800,000 b/d higher than in 2021.

The feature article and oil market highlights are taken from OPEC's Monthly Oil Market Report (MOMR) for May 2022. Published by the Secretariat's Petroleum Studies Department, the publication may be downloaded in PDF format from our Website (www.opec.org), provided OPEC is credited as the source for any usage. The additional graphs and tables on the following pages reflect the latest data on the OPEC Reference Basket and crude and oil product prices in general.

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

Crude/Member Country	2021				2022									Weeks 14–18/2022 (week ending)				
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Apr 1	Apr 8	Apr 15	Apr 22	Apr 29
Arab Light – Saudi Arabia	64.09	67.72	72.76	74.15	71.36	75.01	82.77	80.81	75.49	86.15	93.82	112.99	107.24	109.54	105.74	105.57	111.14	106.52
Basrah Light – Iraq	62.31	66.15	70.88	72.41	69.40	72.64	80.45	78.55	72.81	83.80	92.44	112.21	104.63	108.05	103.39	103.26	108.04	103.66
Bonny Light – Nigeria	64.17	67.61	72.21	75.37	71.23	74.09	82.90	80.73	74.43	86.85	98.76	120.68	106.39	114.26	105.60	106.30	107.98	105.09
Djeno – Congo*	57.01	61.04	65.51	67.54	63.35	66.95	76.09	73.92	66.66	79.16	90.56	111.30	96.92	104.86	96.13	96.83	98.51	95.62
Es Sider – Libya	62.11	66.16	71.01	73.64	69.45	72.75	81.59	80.32	73.35	86.16	98.06	117.90	104.42	111.64	103.63	104.33	106.01	103.12
Girassol – Angola	64.00	68.39	73.47	75.45	70.93	74.76	84.47	82.29	75.16	88.28	100.78	121.58	105.28	114.63	105.08	105.73	106.66	102.95
Iran Heavy – IR Iran	63.00	66.72	71.68	72.98	70.34	74.08	82.14	80.50	74.68	85.59	93.04	112.40	106.28	108.96	105.05	104.42	110.30	105.28
Kuwait Export – Kuwait	63.75	67.54	72.54	73.80	71.06	74.92	82.74	81.13	75.38	86.28	93.84	113.28	107.46	109.90	106.22	105.59	111.49	106.45
Merey – Venezuela	46.16	49.13	53.52	54.49	51.76	54.96	62.72	61.21	54.89	63.58	71.02	88.12	83.40	85.06	82.02	81.87	87.00	82.74
Murban – UAE	63.35	66.82	72.34	73.64	69.89	73.41	82.73	82.06	74.57	85.11	94.18	112.48	104.48	108.32	102.64	102.60	108.89	103.99
Rabi Light – Gabon	64.00	68.03	72.50	74.53	70.34	73.94	83.08	80.91	73.65	86.15	97.55	118.29	103.91	111.85	103.12	103.82	105.50	102.61
Saharan Blend – Algeria	64.01	67.81	72.31	75.34	71.05	73.85	83.54	81.97	75.50	88.21	100.71	121.80	109.37	115.75	108.58	109.28	110.96	108.07
Zafiro – Equatorial Guinea	64.75	68.49	73.50	75.66	70.41	74.03	84.12	82.25	74.35	87.28	99.51	120.50	105.71	114.86	105.32	105.48	107.16	104.03
OPEC Reference Basket	63.24	66.91	71.89	73.53	70.33	73.88	82.11	80.37	74.38	85.24	93.95	113.48	105.64	109.31	104.35	104.27	109.10	104.70

Table 2: Selected spot crude prices
\$/b

Crude/country	2021				2022									Weeks 14–18/2022 (week ending)				
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Apr 1	Apr 8	Apr 15	Apr 22	Apr 29
Arab Heavy – Saudi Arabia	63.31	67.22	72.08	73.25	70.65	74.07	81.92	80.19	74.27	85.28	92.78	112.13	106.21	108.73	104.97	104.34	110.24	105.20
Brega – Libya	62.66	66.51	71.21	73.74	69.35	72.80	81.69	80.22	73.35	86.26	98.31	118.15	105.27	112.01	104.48	105.18	106.86	103.97
Brent Dtd – North Sea	64.46	68.51	72.96	74.99	70.80	74.40	83.54	81.37	74.10	86.61	98.01	118.75	104.37	112.31	103.58	104.28	105.96	103.07
Dubai – UAE	62.92	66.41	71.50	72.83	69.37	72.57	81.46	80.29	73.31	83.34	92.11	110.49	102.91	107.32	101.66	100.84	106.72	102.34
Ekofisk – North Sea	65.00	69.44	73.54	76.24	71.85	74.74	84.24	82.75	75.30	89.37	101.34	123.27	107.22	117.40	106.42	107.08	108.58	106.03
Iran Light – IR Iran	61.58	65.73	70.00	71.52	66.51	71.08	80.36	78.51	71.50	85.19	95.38	117.33	102.40	111.82	102.96	103.36	103.25	99.55
Isthmus – Mexico	60.94	64.47	68.61	69.61	65.25	68.82	78.20	75.50	68.50	79.55	89.68	107.42	100.40	102.07	98.00	100.11	102.79	100.94
Oman – Oman	63.10	66.42	71.66	72.87	69.54	72.78	81.58	80.29	73.22	83.62	92.03	110.96	102.40	106.47	101.19	100.73	106.66	100.95
Suez Mix – Egypt	61.45	65.60	69.87	71.39	66.38	70.95	80.23	78.38	71.37	85.06	95.25	117.20	102.27	111.69	102.83	103.23	103.12	99.42
Minas – Indonesia*	62.86	66.06	71.12	72.24	68.45	72.62	81.34	79.35	72.44	82.96	92.25	111.23	103.44	108.63	102.61	101.57	107.31	102.28
Urals – Russia	63.02	67.26	71.57	73.09	68.14	72.65	81.93	80.08	73.14	86.23	94.94	92.59	72.55	83.05	71.63	72.33	74.01	71.12
WTI – North America	61.71	65.23	71.38	72.58	67.73	71.46	81.36	79.11	71.87	83.16	91.70	108.52	101.77	103.51	99.15	101.52	104.20	102.66

Notes:

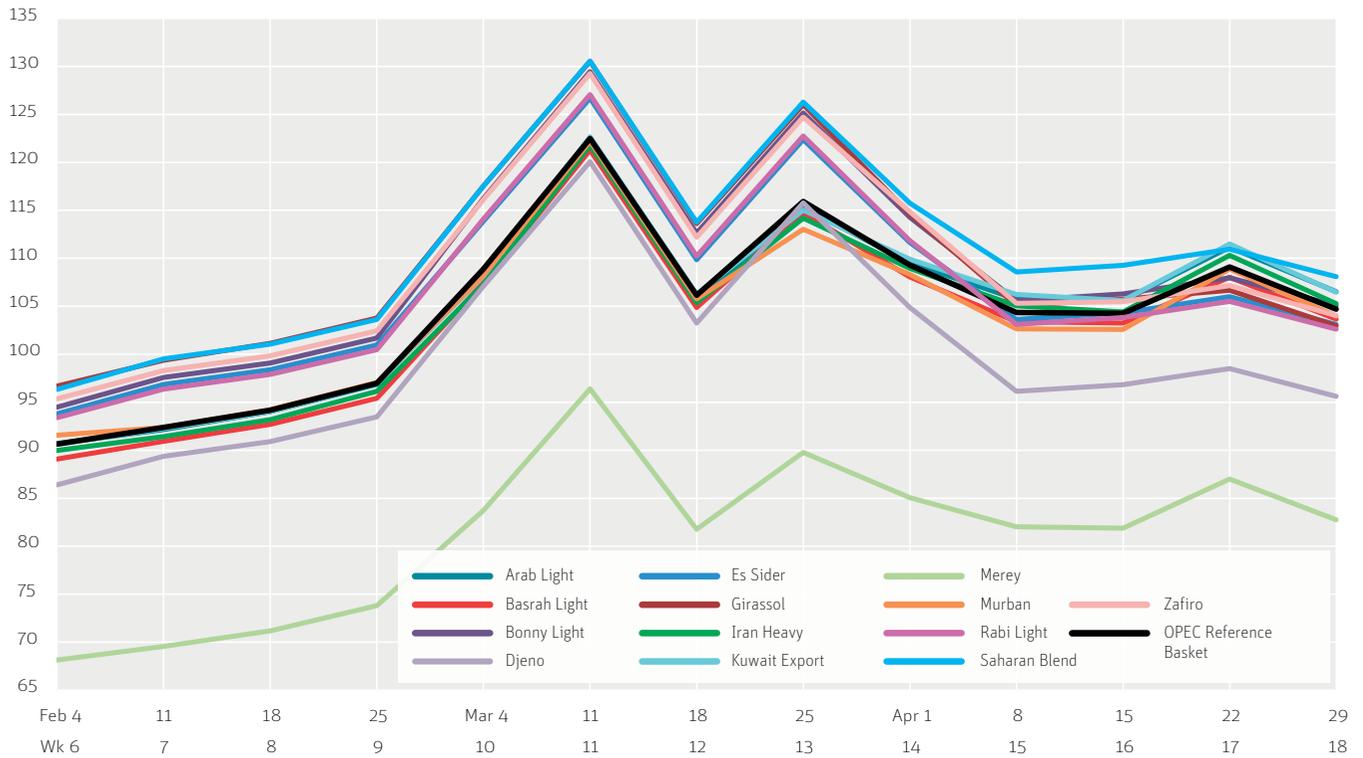
Brent for dated cargoes; Urals cif Mediterranean. All others fob loading port.

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

Sources: Argus; Secretariat's assessments.

Graph 1: Evolution of the OPEC Reference Basket spot crude prices, 2021

\$/b



Graph 2: Evolution of selected spot crude prices, 2021

\$/b

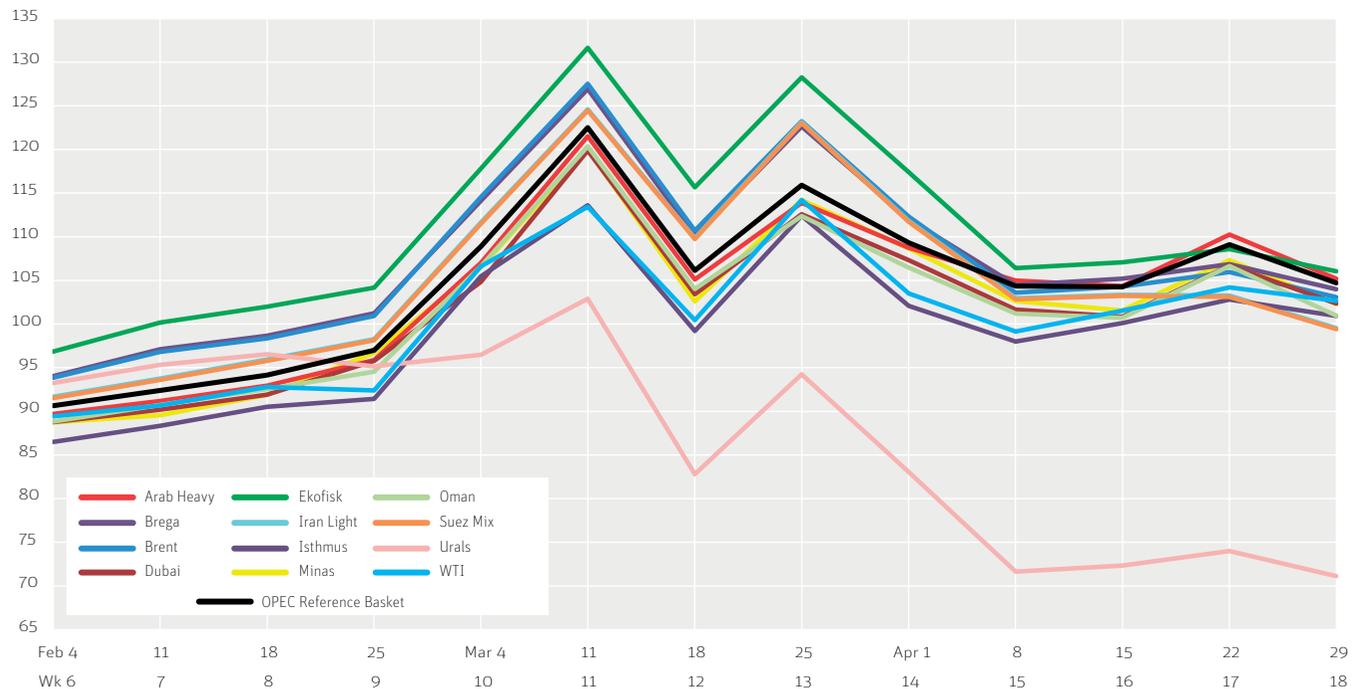


Table and Graph 3: North European market – spot barges, fob Rotterdam

\$/b

	naphtha	regular gasoline unleaded	diesel ultra light	jet kero	fuel oil 1 per cent S	fuel oil 3.5 per cent S
2021						
April	61.70	79.81	68.65	69.58	63.84	55.90
May	65.58	83.11	73.18	74.53	65.03	57.19
June	70.13	86.70	77.83	79.34	68.84	61.43
July	74.43	91.10	79.27	80.29	71.11	62.09
August	71.63	90.74	76.59	77.67	68.47	59.88
September	75.19	93.89	82.87	84.35	73.93	64.09
October	84.42	103.48	95.73	96.92	81.72	72.06
November	81.41	100.77	91.26	92.83	77.65	65.40
December	77.40	90.49	86.20	86.38	73.64	62.52
2022						
January	85.91	102.47	101.51	101.18	82.97	73.18
February	95.37	114.12	110.60	112.77	90.83	78.59
March	111.98	134.95	152.33	156.48	109.70	95.07
April	100.31	133.44	156.07	151.46	97.60	89.20

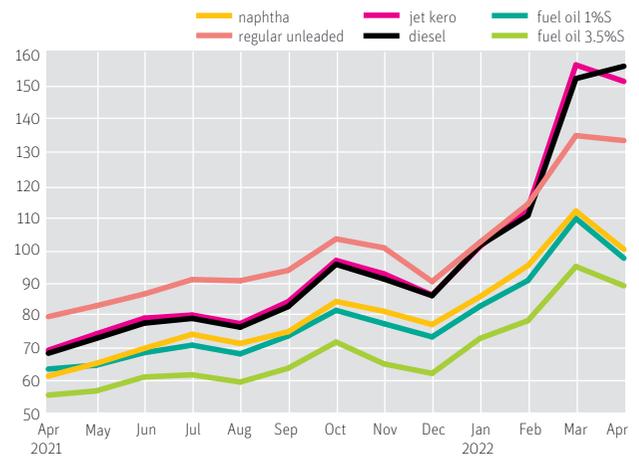


Table and Graph 4: South European market – spot cargoes, fob Italy

\$/b

	naphtha	premium gasoline 50ppm	diesel ultra light	fuel oil 1 per cent S	fuel oil 3.5 per cent S
2021					
April	60.82	75.80	70.21	65.31	54.41
May	64.72	78.60	75.11	66.22	56.01
June	69.56	82.43	79.92	69.97	59.94
July	74.03	87.81	81.16	72.11	60.93
August	71.28	85.79	78.50	70.01	58.97
September	74.92	88.58	85.00	75.26	63.76
October	83.83	97.74	97.63	83.38	71.40
November	80.76	92.83	93.15	79.64	64.50
December	75.50	86.82	87.05	75.70	61.24
2022					
January	84.89	98.09	101.29	85.58	72.09
February	93.90	109.76	112.16	92.31	77.06
March	110.29	130.57	155.32	114.69	93.45
April	97.78	128.46	150.56	104.14	87.17

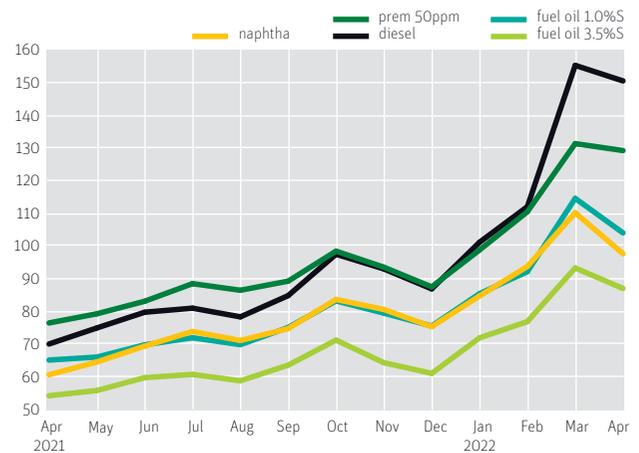
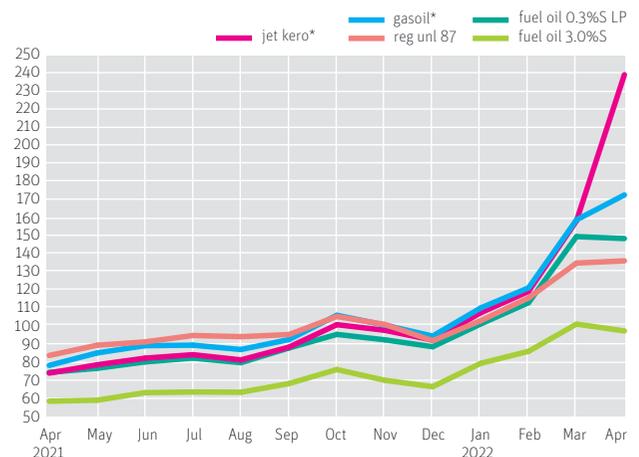


Table and Graph 5: US East Coast market – spot cargoes, New York

\$/b, duties and fees included

	regular gasoline unleaded 87	gasoil*	jet kero*	fuel oil 0.3 per cent S	fuel oil 3.0 per cent S
2021					
April	83.63	78.15	73.87	74.30	58.36
May	89.28	85.02	78.47	76.53	58.91
June	91.13	89.04	82.14	80.07	63.08
July	94.66	89.31	84.05	82.19	63.44
August	94.02	86.91	81.17	79.64	63.31
September	95.18	92.40	88.21	87.76	68.08
October	105.17	105.85	100.64	95.27	75.86
November	100.78	100.43	97.55	92.28	69.91
December	91.80	94.33	92.12	88.45	66.37
2022					
January	102.81	109.86	107.23	101.02	79.27
February	115.43	121.00	119.03	112.79	85.91
March	134.68	158.55	158.01	149.32	100.95
April	135.92	172.32	238.78	148.24	97.19



* FOB barge spot prices.

Source: Argus. Prices are average of available days.

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

\$/b

	naphtha	premium gasoline unl 95	premium gasoline unl 92	gasoil	jet kero	fuel oil 180 Cst	fuel oil 380 Cst
2021 April	62.40	73.94	71.69	67.73	67.40	66.74	57.08
May	65.94	76.11	74.38	72.11	71.90	71.71	57.70
June	70.64	80.31	78.81	76.78	76.61	75.91	62.62
July	75.57	85.14	83.08	77.93	77.72	77.25	63.53
August	71.01	81.13	78.94	73.77	73.55	74.05	62.33
September	75.15	84.06	82.05	79.66	79.46	79.88	69.18
October	84.45	98.48	95.71	93.38	93.10	93.09	74.81
November	84.21	95.01	92.15	90.84	90.65	89.09	68.76
December	77.82	87.92	85.79	84.94	84.50	83.47	63.75
2022 January	84.56	98.04	96.18	97.84	97.43	95.78	72.97
February	95.75	110.72	108.26	109.91	109.24	106.17	79.78
March	111.42	131.07	127.47	138.51	136.25	134.32	97.61
April	97.75	126.73	123.45	139.18	137.21	134.35	102.47

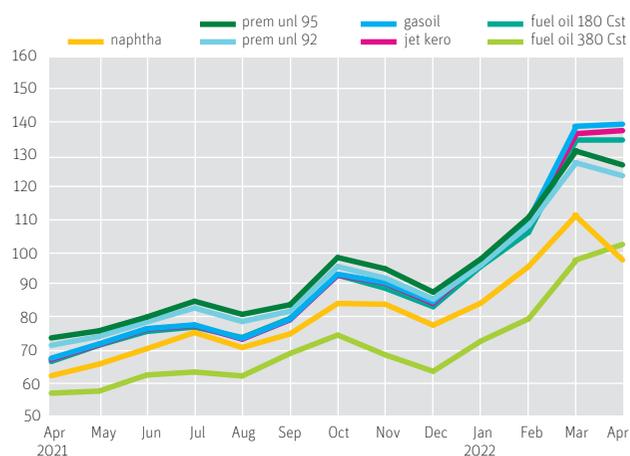
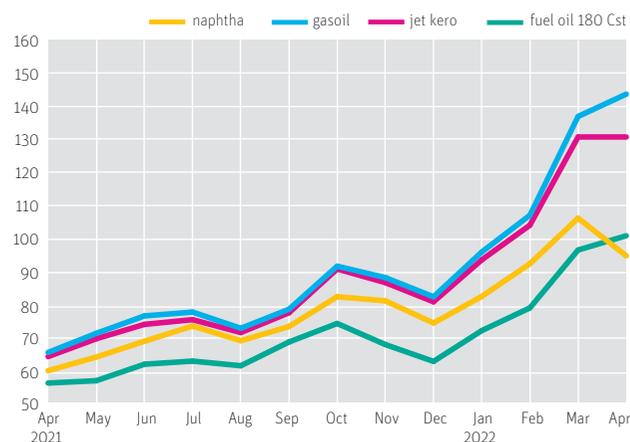


Table and Graph 7: Middle East Gulf market – spot cargoes, fob

\$/b

	naphtha	gasoil	jet kero	fuel oil 180 Cst
2021 April	60.32	65.82	64.58	56.61
May	64.44	71.57	69.94	57.31
June	69.20	76.83	74.28	62.28
July	73.78	77.98	75.70	63.22
August	69.36	73.10	71.82	61.82
September	73.62	78.84	77.78	68.97
October	82.62	91.80	90.95	74.55
November	81.38	88.36	86.86	68.20
December	74.69	82.60	81.08	63.13
2022 January	82.69	96.06	93.69	72.39
February	92.53	107.14	104.15	79.25
March	106.28	136.88	130.70	96.67
April	94.92	143.61	130.70	100.96

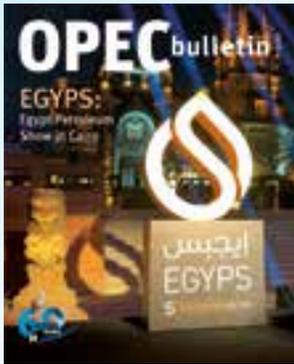


Source: Argus. Prices are average of available days.

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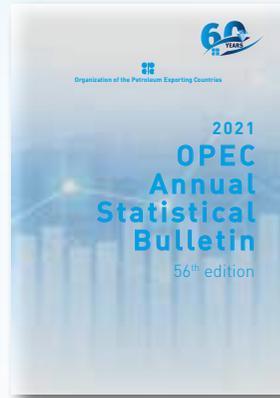
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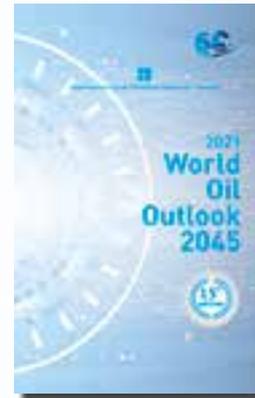
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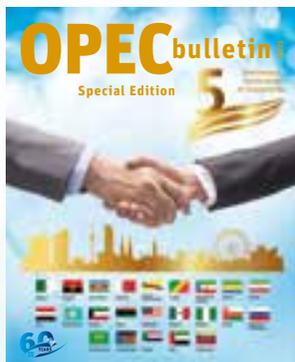
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