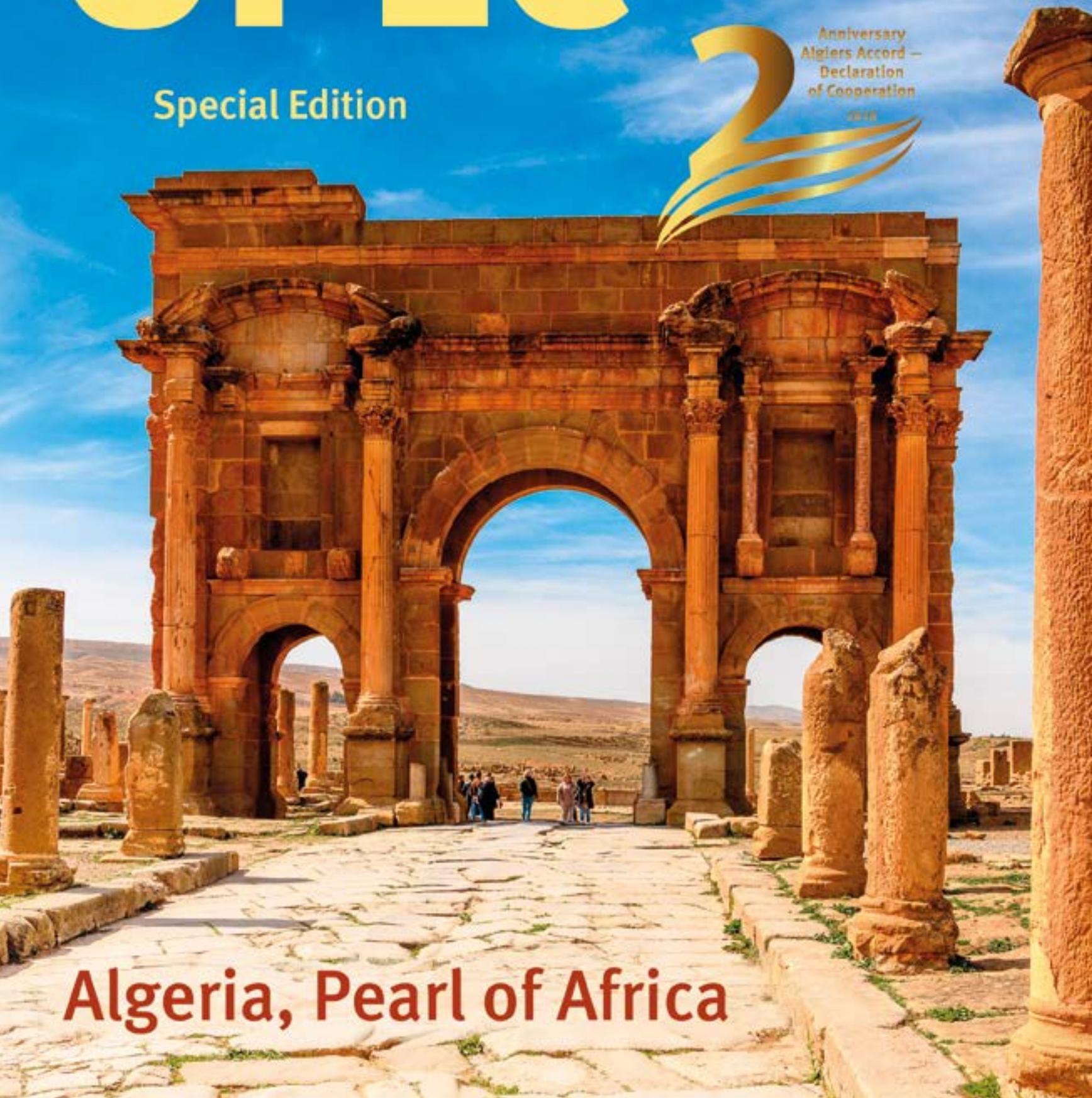


OPEC bulletin

8-9/18

Special Edition

Anniversary
Algiers Accord –
Declaration
of Cooperation
2018



Algeria, Pearl of Africa

OPEC

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The road taken

The ‘poetic voice’ of man is not one commonly associated with the global political economy, economic activities or the oil industry. But often it reveals ‘truths’ that other modes of expression are unable to transmit – and one of those truths is that all spheres of human activity emerge from a fundamental reality – which is that all great achievements are forged on the basis of patient teamwork, loving friendship and the common brotherhood of man.

This particular truth is one that was on display when agreement was reached by clear-headed representatives participating in the historic and landmark ‘Declaration of Cooperation’ of 10 December 2016. It was also on display, however, months earlier, in September, when Ministers and other officials gathered in the “pearl of Africa”, Algeria, for discussions and focused negotiations.

Although the focus was certainly not poetry, the broad, creative consultative efforts made there represented the first stage of a process that would eventually lead to the creation of the Declaration. This first stage was encapsulated in what became known as the ‘Algiers Accord’.

This month, we mark two years since that outcome and that gathering in the Algerian capital, which began with the 15th IEF Ministerial Meeting and ended with the 170th OPEC (Extraordinary) Conference. At the time, in these pages, we had celebrated that achievement, calling it an “encouraging, optimistic, and positive sign for the oil markets.” In fact, the ‘Algiers Accord’ was the first OPEC agreement since the decision made at the 151st (Extraordinary) Meeting of the Conference in Oran, Algeria, in December 2008.

But the ‘Algiers Accord’ was not only praise-worthy because of the production adjustments which it proposed. It was also a reflection of deeply important work behind the scenes – which included teamwork, friendship and the emergence of a consensus among OPEC Member Countries and their various officials and representatives. It was the culmination of an extensive consultative process undertaken collectively by OPEC Ministers and top officials, including some key non-OPEC countries.

As we have noted, the decision arrived at in Algiers pointed the way forward, culminating in the Declaration. But it also signaled an important shift in attitudes. It marked the beginning of a phase of broad OPEC and non-OPEC collaboration that continues to this day. While it is certainly true that “dialogue” between producers and consumers – and the rhetoric revolving around

“collaboration” and “cooperation” between OPEC and other oil producers around the world – which has been common currency at international industry fora for years, it was in late 2016 when such words acquired greater power and credibility, becoming actions.

As if to prove the point, the ‘Algiers Accord’ was readily welcomed by stakeholders around the world, all of whom were concerned with the low price environment which then afflicted the market. It expressed a collective understanding that the market downturn was severe and detrimental to all stakeholders, and that “focused negotiations” were relevant and necessary in order to emerge from that cycle of volatility of 2014–16. It also reflected a growing agreement that OPEC’s leadership and decisions were absolutely necessary to respond to this challenge.

What’s more, it is clear now in retrospect that dialogue, friendship and brotherly teamwork were in themselves necessary for that leadership and decision-making to work. OPEC has, for many years now, regularly called for similar enhanced dialogue and cooperation with other producers. And OPEC has certainly engaged in dialogue with other committed energy stakeholders – such as the EU, Russia, India and China. But the ‘Algiers Accord’ brought things to a whole other level, marking a new level of compromise and commitment – one that has inspired other non-OPEC oil producing countries.

OPEC is known, of course, for the extensive reserves of its Member Countries. However, the Organization’s greater strength may actually be its global reach, its membership diversity, and the brotherhood and camaraderie that increasingly characterize relations among its many officials and delegations. Today, this extends also to those other oil producing countries which have chosen to participate in the ‘Declaration of Cooperation’.

As we mark the 2nd Anniversary of the ‘Algiers Accord’ which inaugurated the process that led to that Declaration, it would be well to recall that at the time, some observers had been skeptical about the possibility – and effectiveness – of such actions and decisions, and about their very durability. OPEC, however, had no such qualms – and chose, with the determination and confidence that only comes from having strong convictions, to follow another path, a new road. As the famed poet Robert Frost wrote in 1916, “Two roads diverged in a wood, and I—/I took the one less traveled by, / And that has made all the difference.” This is what we celebrate. 

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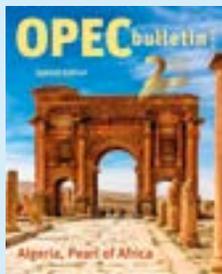


Algerian Ministry of Energy

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Correction: The article on page 15 of the 6–7/18 edition of the OPEC Bulletin incorrectly identified Saaldeldin Hussein Elbushra Abdelmagid as the State Minister at the Ministry of Petroleum and Gas of South Sudan. He is, in fact, the State Minister for the Republic of the Sudan. We regret the error and offer our apologies to our readers and to the Government and people of the Republic of the Sudan.

bulletin



Cover

This month's cover shows Trajan's Arch of Timgad, a Roman-Berber city in the Aures Mountains of Algeria, a UNESCO World Heritage Site (see story on p40).

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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 15 Members: Qatar joined in 1961; Libya (1962); United Arab Emirates (Abu Dhabi, 1967); Algeria (1969); Nigeria (1971); Angola (2007); Equatorial Guinea (2017). Ecuador joined OPEC in 1973, suspended its Membership in 1992, and rejoined in 2007. Indonesia joined in 1962, suspended its Membership on December 31, 2008, reactivated it on January 1, 2016, but suspended its Membership again on December 31, 2016. Gabon joined in 1975 and left in 1995; it reactivated its Membership on July 1, 2016. The Republic of the Congo joined the Organization on June 22, 2018.

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

Editorial policy

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The road from Algiers

Algeria is known for its incredible Roman ruins and magnificent desert vistas. With more than 40 million people, and 12.2 billion barrels of crude oil reserves and more than 160 trillion cubic feet of natural gas reserves, it is also one of the most populous and resource-rich countries in the Maghreb.

But such superlatives don't do justice to the fact that the country, particularly under the leadership of its long-time President Abdelaziz Bouteflika, has played a key role over the years in bringing together some of the world's most important oil producers. It's worth recalling that the city of Oran, Algeria, had played host in December 2008 to the 151st (Extraordinary) Meeting of the Conference.

This edition of the *OPEC Bulletin*, however, is dedicated to a more recent event and commemorates, with the special features in the pages that follow, one of the country's most important achievements of recent years,

the 'Algiers Accord', which was the preliminary outcome of meetings and consultations held in the country's capital city in September 2016.

Beginning with hours-long talks among Oil and Energy Ministers and Heads of Delegation at the end of the 15th Ministerial Meeting of the International Energy Forum (IEF), and culminating with the 170th (Extraordinary) Meeting of the OPEC Conference, both held in Algiers at the end of that September of 2016, Algeria played host to an important process of deliberation and negotiations.

At the time, as these negotiations began, Algeria's then-Minister of Energy, Nouredine Boutarfa — in close collaboration with the OPEC Secretary General, Mohammad Sanusi Barkindo, and then-OPEC President, Dr Mohammed Bin Saleh Al-Sada, Qatar's Minister of Energy and Industry — helped to carefully steer this all-important process.



Delegates to the 170th (Extraordinary) Meeting of the OPEC Conference, held in Algiers, Algeria, September 28, 2016.

Anniversary Algiers Accord — Declaration of Cooperation

There were numerous important developments at the time. First, in response to continued crude oversupply and high oil inventories, the 170th Extraordinary Conference — which technically speaking, followed a Consultative Meeting attended by Heads of Delegation from the Organization’s 14 Member Countries — decided to opt for an OPEC-14 oil production level of between 32.5 and 33.0 million b/d. This range gave some flexibility to the negotiating process which was set to continued.

Second, it was decided that the results of this process — and the recommendations made at the time by the High Level Committee, a body which had been set up in Algiers as a mechanism to guide overall market stabilizing efforts — would then be presented to the 171st Ordinary Meeting of OPEC Conference, which convened in Vienna, Austria on November 30 of that year.

Third and finally, the outcome of that 171st Meeting of the Conference was, of course, the historic ‘Declaration of Cooperation’, which established among OPEC and a group of participating non-OPEC producing countries an important production adjustment, which recognized need to accelerate the market’s rebalancing.

This *Special Edition* then is dedicated to the men and women who played a part in this process; to those delegates who helped forge the ‘Algiers Accord’, the first stage of the process leading to the ‘Declaration of Cooperation’; and to the officials who have demonstrated an ongoing commitment — not only to the interests of Algeria and the Organization but to the needs of the global oil industry. The road from Algiers to Vienna in 2016 was admittedly challenging — but it effected important and beneficial changes whose positive outcomes we are still seeing today. 



L–r: Sheikh Mishal Jabor Al-Thani, Director of Energy Affairs Department at Qatar’s Ministry of Energy & Industry; Nouredine Boutarfa, Algeria’s Minister of Energy; Dr Mohammed Bin Saleh Al-Sada, Qatar’s Minister of Energy & Industry, (then) President of the Conference; Mohammad Sanusi Barkindo, OPEC Secretary General; and Eng Mohamed Hamel, Algeria’s Governor for OPEC and (then) Chairman of the OPEC Board of Governors.

The road from Algiers

Two years of transformation

*Sometimes it is important to look back in order to see how far one has come. The global oil industry of two years ago bears no comparison to that of today — it has not only changed, it has been transformed. And its origins lie with the ‘Algiers Accord’, which this month celebrates its 2nd Anniversary. The OPEC Bulletin’s **Maureen MacNeill** provides this look back at the road from Algiers leading to the ‘Declaration of Cooperation’.*

OPEC and non-OPEC Ministers during the signing of the ‘Declaration of Cooperation’ on December 10, 2016, at the OPEC Secretariat in Vienna, Austria.



There are and will always be many challenges on the horizon in the oil industry. But when one compares the situation today with that of two years ago, when the landmark ‘Declaration of Cooperation’ was forged by some of the most brilliant minds in the industry, one cannot but conclude that the impact of that historic decision has been nothing short of remarkable.

The date December 10, 2016 — when the ‘Declaration of Cooperation’ was signed by group of 24 OPEC and participating non-OPEC countries — holds a well-deserved spot in history. What started in Algiers, Algeria, as an effort to shoulder responsibility to address the dire situation then facing the oil market — threatening the long-term health of the industry, various stakeholders and the world — turned into an extraordinary collaboration among two dozen countries, transcending all backgrounds and boundaries, to work together and achieve the extraordinary.

This accomplishment — without a doubt the most significant milestone in the modern oil industry — has not only greatly impacted the public perception of OPEC as a trustworthy institution of significance, it has greatly advanced mutual respect among all nations and changed the course of oil history.

Perhaps the greatest testament to the ‘Declaration of Cooperation’ is the new era of cooperation it has ushered in, setting an example for the entire world of the power of working together.

Each and every participant brought determination and commitment to the common goal of restoring and sustaining market stability, with



Khalid A Al-Falih (r), Saudi Arabia's Minister of Energy, Industry and Mineral Resources; and HRH Prince Abdulaziz Bin Salman Bin Abdulaziz Al Saud (l), Minister of State for Energy Affairs, Kingdom of Saudi Arabia; seen in Algiers in September 2016.



Signing the 'Declaration of Cooperation': Dr Mohammed Bin Saleh Al-Sada (r), Qatar's Minister of Energy & Industry, (then) President of the Conference; with Mohammad Sanusi Barkindo, OPEC Secretary General.



positive and broad implications for the world economy, oil industry, and producers and consumers alike.

Two years into the decision, it has become normal for this group of OPEC and non-OPEC Ministers to sit together and discuss market issues, leading to the deepening of friendships and the strengthening of trust between participants. In turn, this has led to an ability to quickly and efficiently address market imbalances and to effectively monitor the market.

This process has set yet another new precedent. Along with the 24 original participants to the 'Declaration of Cooperation', six observer countries signed a 'Declaration of Support' at the November 2017 meeting, remarkably bringing the total amount of countries officially backing the Declaration to 30.

The landmark 'Declaration of Cooperation' has achieved success beyond the imagination of its creators. Conformity reached unprecedented highs over 2017 and 2018 — up to 147 per cent in May 2018 — and the dedication of participants has never wavered.

These efforts have been central to the oil market recovery seen in 2017 and 2018, and have had a knock-on effect on the world's economy, with global GDP growth rising to 3.8 per cent for both 2017 and 2018. All this has supported financial markets, which significantly helped to improve market fundamentals.



Officials gather for a group photo at the 171st Meeting of the OPEC Conference, held on November 30, 2016.

Lead-up to the Declaration

The ‘Declaration of Cooperation’ did not come easily. It began in Algiers — and was only achieved after extensive rounds of consultations to address the dire market realities of the time. The deliberations were spearheaded by OPEC, in response to the powerful market imbalances which began in the summer of 2014 and came to represent the longest down cycle in the industry’s history. The discussions and dialogues lasted for weeks, passing into months.

OPEC’s Secretary General, Mohammad Sanusi Barkindo, travelled far and wide, meeting oil ministers and heads of state in both OPEC and non-OPEC countries, engaging them in a broad consultative process focused on finding a way to rebalance the oil market and return to sustainable stability.

These extensive efforts were marked first with the landmark (Extraordinary) 170th Ministerial Meeting on September 28, 2016, in Algiers, Algeria. At this game-changing meeting, OPEC Member Countries found

common ground and reached a decision to adjust their production to between 32.5m and 33m b/d to draw down the stock overhang. It was the precursor to the historic ‘Declaration of Cooperation’.

The ‘Algiers Accord’ was very important as it triggered further discussions on how to establish a more sustainable platform enabling OPEC and non-OPEC producing countries to take pro-active measures to ensure a balanced world oil market.

After many rounds of discussions, punctuated with the courage, dedication and compromise shown by every OPEC Member Country, a subsequent meeting took place on November 30, 2016, at the 171st Meeting of the Conference in Vienna, Austria. It was there that the OPEC Conference decided to adjust production down by about 1.2m b/d, effective January 1, 2017. That decision marked the first production adjustment involving OPEC and non-OPEC countries since the ‘Oran Decision’ taken at the 151st (Extraordinary) Meeting of the OPEC Conference in December 2008.

These efforts then culminated in the ‘Declaration of





*Alexander Novak,
Minister of Energy
of The Russian
Federation.*



*Dr Mohammed
bin Hamad Al
Rumhy, Minister
of Oil and Gas,
Oman.*

Cooperation’ on December 10, 2016, when non-OPEC producers joined OPEC producers in their efforts and agreed to a combined output adjustment of around 600,000 b/d, bringing the total to about 1.8m b/d. This was a watershed moment for everyone on the oil industry, and for those countries participating in the Declaration.

The following year, a second OPEC and non-OPEC Ministerial Meeting was held on May 25, 2017, confirming the dedication of participating countries, who chose to extend the voluntary production adjustments for another nine months commencing July 1, 2017.

This was followed by a third OPEC and non-OPEC Ministerial Meeting on November 30, 2017, when the

Press Conference after the 1st Meeting of the JMMC held on January 22, 2017.





The First Meeting of the JTC was held on February 22, 2017.

‘Declaration of Cooperation’ was amended to take effect for the entirety of 2018.

The unwavering determination of participants to act in the interests of producers and consumers was once again expressed at the 174th Meeting of the OPEC Conference and the 4th OPEC and non-OPEC Ministerial Meeting, held on June 22 and 23, 2018, respectively. Participating countries at these meetings agreed to strive to adhere to the overall conformity level of 100 per cent for the remainder of the year — thus giving further positive signals to the market and the industry underlying that the market downturn of the previous years was being taken seriously, with a view to ensuring sustainable stability.

JTC and JMMC

None of this could have been achieved without the creation of the two bodies which ensure the implementation of the historic Declaration. The Joint Ministerial Monitoring Committee (JMMC) — and its supporting body, the Joint Technical Committee (JTC) — were formed under the umbrella of the ‘Declaration of Cooperation’. Each continues its tireless work to this day.

The JTC was formed to support the JMMC by providing a monthly data production report on the crude oil production of OPEC and non-OPEC participating countries to the Declaration.

These two bodies have no precedence in OPEC history, combining both OPEC and non-OPEC ministers to

oversee developments. The JMMC consists of oil ministers from three OPEC countries and two non-OPEC countries, with Kuwait and the Russian Federation acting as co-chairs in the first year, assisted by the OPEC Secretariat.

The bodies are part of a joint effort to strengthen and institutionalize collaborative actions through a structured programme of joint activities and regular meetings. They regularly review the status of their cooperation at the technical and ministerial levels.

The remarkable success of this unique agreement, including the conformity results achieved by participants, has been inspirational, strongly affecting market confidence and leading to the cautious return of investment.

The rich experience gained by participants of the ‘Declaration of Cooperation’ — which well exceeded the aspirations of its architects and participants — will serve the industry well into the future. The next stage in this remarkable journey is to ensure that the trust and friendships forged over the past few years grow and strengthen. These bonds will allow producers to address evolving issues in a rapidly changing market at a moment’s notice in order to secure stable stability.

Thanks to the ‘Declaration of Cooperation’, OPEC Members, together with non-OPEC partners, are now more able than ever before to meet future challenges. It is thus appropriate to both praise the achievements of the Declaration, which in December will mark its 2nd Anniversary, while also recognizing the important role played by the ‘Algiers Accord’, whose own 2nd Anniversary we celebrate with this *Special Edition*. 

Anniversary reflections

One of the defining features of our age is the fact that, given the complexities and manifold challenges of today, collaboration and teamwork are often more productive and beneficial than individual or unilateral efforts. This is no less true in an industry like hydrocarbons, which encompasses the world and unites everyone — regardless of their location, geography, or whether they are producers or consumers. It is certainly true of the process leading from the emergence of the ‘Algiers Accord’ to the achievement of the ‘Declaration of Cooperation’, which brought together 24 OPEC and non-OPEC oil producing countries in December 2016.

Every single Minister and accompanying official who participated

in this extended process during 2016 played important and key role in the negotiations and consultations. Their efforts, hard work and commitment have been widely recognized, and their Ministers have been honoured at various industry and OPEC events.

In this section, the OPEC Bulletin speaks to four Ministers who have been part of the process from the beginning, from Algiers in September to Vienna in December 2016, and who have actively participated in the implementation of the ‘Declaration of Cooperation’. Their recollections and reflections are highlighted here as part of the tribute we make in this Special Edition to the ‘Algiers Accord’ — and to the many achievements that were borne of it.

Suhail Mohamed Al Mazrouei

United Arab Emirate’s Minister of Energy & Industry, and President of the OPEC Conference



Suhail Mohamed Al Mazrouei, United Arab Emirate’s Minister of Energy & Industry, and President of the OPEC Conference.

*Current OPEC President, **Suhail Mohamed Al Mazrouei**, the United Arab Emirate’s Minister of Energy & Industry, epitomizes much of the goodwill, drive and energy that characterizes OPEC’s Member Country Ministers. As this year’s successor to the OPEC Presidency of Qatar (in 2016) and Saudi Arabia (in 2017), Al Mazrouei has built on their achievements and continued to exhibit the spirit of teamwork and collaboration that had led to the historic achievements of 2016 — namely, the ‘Algiers Accord’ and its culmination in the ‘Declaration of Cooperation’.*

The contributions of Al Mazrouei to the work of the OPEC Secretariat — and, more broadly, to the common work of all its Member Countries — over the years are significant and extensive. Among an active engagement with his counterparts from around the world, he has helped to chair various meetings and has been an active participant in important deliberations, both among Member Countries well as with non-OPEC countries. In addition, earlier this year, Al Mazrouei gave the Opening Remarks at the 7th OPEC International Seminar, setting the stage for a two-day extravaganza that featured the world’s leading experts and officials from the oil and gas industry. The OPEC Bulletin now pays tribute to Al Mazrouei — and seeks his views on the deliberations and outcomes of the process begun by the ‘Algiers Accord’.

This month we celebrate the Second Anniversary of the ‘Algiers Accord’, one of the main achievements of the 170th (Extraordinary) Meeting of the OPEC Conference held on September 28, 2016. How would you describe the deliberations during that Meeting? What were some of the most interesting and challenging moments for you as a participant in this deliberative process?

If I think back to 2016, I can say that we were still in the early stages of building trust and understanding between all Members — and what was to become the ‘Declaration of Cooperation’. Yes, we all had a shared goal: to bring balance and stability back to the oil market following a prolonged period of inventory growth and depressed prices. But there were many views and opinions on the best way of achieving that goal. I would describe the deliberations as challenging but constructive.

It was always going to be difficult to secure the agreement of so many producing nations to voluntarily adjust their production levels and — in the short-term — their national incomes. But it was essential that, collectively, we reduce the inventory overhang and restore market balance. As we have now seen, this was the right decision.

The road from the ‘Algiers Accord’ to the achievement of the ‘Declaration of Cooperation’ in 2016 was at times certainly challenging. What contributed to the successful outcomes that were achieved in the end?

There were many things that contributed to the successful signing of the ‘Declaration of Cooperation’. Of course, the significant efforts of the 2016 and 2017 OPEC Presidents, and of the OPEC Secretary General and his team, were critical to us reaching an agreement — as was the hard work and dedication of the Ministers and their supporting delegations from

both OPEC and non-OPEC countries that engaged tirelessly to build rapport, trust and mutual understanding.

It shouldn’t be underestimated how important it is to build trust is when you are pursuing a complex agreement such as the ‘Declaration of Cooperation’. For me, this was probably the most important factor in our success.

You have participated in some of the gatherings of the Joint Ministerial Monitoring Committee (JMMC). How do you see its role in supporting the implementation of the ‘Declaration of Cooperation’? How effective has it been?

The Joint Ministerial Monitoring Committee (JMMC) has played a critical role in the successful implementation of the ‘Declaration of Cooperation’. The Committee — under the wise stewardship of Issam A Almarzooq, Kuwait’s Minister of Oil and Minister of Electricity and Water, and Khalid A Al-Falih, Saudi Arabia’s Minister of Energy, Industry and Mineral Resources — regularly reviewed market data, monitored country adherence to the voluntary commitments that were made, and reported their findings to the OPEC and non-OPEC delegations. They provided a transparent and credible source of data, which allowed participants in the Declaration to better understand market dynamics and, in turn, make informed decisions.

The JMMC was instrumental in terms of building trust amongst the parties to the Declaration, and in providing reassurance to the market that the commitments made were being delivered. In general, OPEC has always tried to maintain a positive and constructive relationship with the media — and this was reinforced by the JMMC.

If someone had told you in early 2016 that by the end of the year, a landmark decision would be reached by all of OPEC’s Member Countries and by a group of participating non-OPEC oil producers from around the world, how would you have reacted? Were you always confident that such a mutually beneficial outcome could be achieved? What promise does it hold for the future?

I’m naturally quite an optimistic person, but even so, I would have recognized — in fact, thinking back I’m sure that I did recognize — the significant challenges that lay ahead. That said, I was always confident that we would be able to reach an agreement as it was in the best interest of our nations, and our industry, to do so.

Looking ahead, I’m confident that the collaborative efforts of the past two years lay a promising foundation for the future. I have no doubt that we will build on the relationships that have been forged — and that we will establish a mechanism for future collaboration. 

Dr Mohammed Bin Saleh Al-Sada

Qatar's Minister of Energy and Industry and former President of the OPEC Conference



Dr Mohammed Bin Saleh Al-Sada, Qatar's Minister of Energy & Industry, former President of the Conference.

*The role of the OPEC President has long been an important one, particularly as a coordinating and unifying force among all OPEC Ministers. During the important meetings held in Algiers in September 2016, **Dr Mohammed Bin Saleh Al-Sada**, Qatar's Minister of Energy and Industry, served as President of the OPEC Conference. Through his exemplary leadership and determination, OPEC Ministers engaged in productive dialogue and eventually, reaching consensus, committed to securing oil market stability through the 'Algiers Accord', the first step toward the realization of the 'Declaration of Cooperation'.*

The role of Dr Al-Sada in the long and historic process leading to the development of the 'Algiers Accord' was essential. He helped to maintain lines of communication open among officials, coordinated input and discussions at the highest levels, and consistently served as a reminder that the response to the challenges of the time required not just hard work and tireless efforts but flexibility — and the unified strength that only making common cause can bring. The OPEC President at the time of the meetings in Algiers was an important protagonist — and with the interview that follows, the *OPEC Bulletin* pays tribute to Dr Al Sada and the role he played on the day of the 'Algiers Accord'.

[The first consultative meetings between OPEC Member Countries in September 2016 took place on the sidelines of IEF15. How would](#)

[you describe those first initial conversations and meetings among OPEC's MCs?](#)

In a true sense, it was not the first consultative meeting as the process of consultation started in February 2016, when initially three OPEC Member Countries — Saudi Arabia, Venezuela and the State of Qatar — along with Russia met in Doha to discuss the issue and its way forward. It was followed up by several bilateral and multilateral engagements on the subject, initiated and coordinated by Qatar during its Presidency of the OPEC Conference, with a larger group consisting of OPEC Member Countries and a few key non-OPEC countries, meeting in Doha in April 2016. This meeting provided a platform to restore oil market balance, laying the foundations for further dialogue on the subject. In principle, it was unanimously agreed by all that there was an urgent need to agree and initiate remedial actions to restore the market balance, despite countries having different priorities.

Could you describe the mood among OPEC Ministers at the time, in the days prior to the achievement of the Accord?

I have many treasured memories of that momentous second half of 2016, prior to the achievement of the 'Algiers Accord'. One of them is the meeting I had with the newly appointed OPEC Secretary General, Barkindo in Doha in early September, when we passionately talked about navigating a path to help the industry recover from the downturn that had gone on for so long.

I was ably assisted in promoting this cause by Barkindo, who upon joining OPEC in August 2016, literally hit the ground running. The challenge was immense: it was to bring together OPEC Members and to have a unified vision on rebalancing the market. This challenge was further magnified considering that, in addition to OPEC, key non-OPEC producers were to be 'brought on board' to join this effort, to make it more effective.

While a number of meetings were held earlier, we were sure that this meeting on the sidelines of IEF15 would serve as more than just another informal consultation among OPEC Members. Many of us had the aspiration to turn it into something more fruitful and, indeed, it happened.

We celebrate this month the Second Anniversary of the 'Algiers Accord', the principal achievement of the 170th (Extraordinary) Meeting of the OPEC Conference held on September 28, 2016. How would you describe the deliberations – and the challenges you faced as Conference President – during that Meeting? Was there a specific way you chose to approach these meetings?

My strategy for these meetings was to hold them with no media presence and in a transparent, informal and relaxed atmosphere. It helped in building confidence in each other, and respecting each other's objectives and constraints, and then finding the way to help the common cause. What started as informal deliberations developed into channels for discussion where serious talks could take place without creating any undue pressure.

The 'Algiers Accord' was the result of one such engagement. It was preceded by several bilateral and multilateral engagements urging all the OPEC Members to attend the IEF15 conference in Algiers so that they could meet on the side lines of this conference.

We got together for an informal consultative meeting in which the participants transparently shared their views, and deliberated over the way forward. During this marathon meeting, it was realized by all that we were jointly pursuing achieving a market balance that would benefit everybody, both consumers and producers.

The spirit of cooperation prevailed and we were able to achieve consensus among OPEC Members who unanimously decided to turn the meeting into an official extraordinary one leading to an important milestone accord. This, in a short period of time, further paved the way for the signing of the two landmark decisions – the 'Vienna Agreement' in November and the 'Declaration of Cooperation' between OPEC and some non-OPEC oil producing countries in December 2016.

At the opening of that Meeting, you sounded confident that there

would be a positive, constructive outcome, saying you had noted "the same commitment to ensure that we find solutions to come through the current challenges we all face." What were some of the reasons you remained so confident throughout? In your conversations with other OPEC Ministers, were there indications that things would come together in a consensus or broad agreement?

When we embarked on the mission, we were serious about bringing balance to the oil market, which was burdened with a surplus supply of over 350 million barrels above the five-year average, putting tremendous pressure on prices and on the capability for future investment, and adversely impacting energy security down the line. It was a negative sum game for both consumers and producers, and not in the interest of either of them. World GDP growth, too, was languishing at near three per cent. It was hurting everyone. There was thus a common desire to rectify this situation – and all the more reason to come up with a solution which would be beneficial for the industry.

Having conducted intensive communications and interactive sessions at bilateral and multilateral levels, I was reasonably confident that things would lead to a consensus and that a broad agreement was around the corner.

How would you describe the road from the 'Algiers Accord' in September 2016 to the achievement of the historic 'Declaration of Cooperation' in December 2016? How do you now reflect on this months-long period?

Committing 24 OPEC and non-OPEC producers to a production adjustment of 1.8m b/d in December 2016 was a 'landmark' agreement. I recall vividly those extremely intense negotiations, which culminated in the 'Declaration of Cooperation'. On that auspicious day of December 10, 2016, while waiting for the OPEC Secretariat to print the final document for signature, Barkindo turned to me and said, "You do realize we are just about to change the course of history?" I said, "You bet we are!"

And what a difference it has made. Today, Brent futures markets are in backwardation. It has led to the rebalancing of the market as a result of which, the glut is gone and the industry is healthier.

Reflecting upon long periods of intensive engagements and deliberations that resulted in the 'Algiers Accord' in September 2016 and the historic 'Declaration of Cooperation' in December 2016, we profusely appreciate and thank all the participating countries who helped immensely with their sincere and diligent efforts to reach this Agreement.

The guidance and support of His Highness Sheikh Tamim bin Hamad Al Thani, Emir of the State of Qatar, inspired my efforts and helped Qatar's Presidency of the OPEC Conference to lead the way in pursuit of a balanced oil market and global energy security.

I also take this opportunity to acknowledge the key role of the Government of Algeria and Abdelaziz Bouteflika, President of Algeria, for his unrelenting support which helped in reaching the 'Algiers Accord' and, subsequently, fructified into the landmark OPEC and non-OPEC Agreements.



Alexander Novak

Russian Federation's Minister of Energy



Alexander Novak, Minister of Energy of The Russian Federation.

*In the important deliberative process leading from the 'Algiers Accord' to the 'Declaration of Cooperation', the role and engagement of Energy and Oil Ministers was critical. Beginning with the close consultations in September 2016 among OPEC's Member Country Ministers, and expanding to include Ministers from non-OPEC oil producing countries from around the world — such as **Alexander Novak**, the Minister of Energy for the Russian*

Federation — the work and active participation of each and every participating Minister was the foundation on which the successful achievement of the declaration was forged.

In this process, Alexander Novak has played a consistent and key role — especially in his role as Alternate Chairman of the Joint Ministerial Monitoring Committee (JMMC). The JMMC was one of the bodies originally conceived of in the 'Algiers Accord' and then subsequently institutionalized by the 'Declaration of Cooperation'. In the following interview, the OPEC Bulletin speaks with Novak about his role in the JMMC and the impact of the extended process of negotiations from Algiers to the Declaration.

This edition marks two years since the 'Algiers Accord', that milestone at which the various ideas and suggestions that eventually led to the 'Declaration of Cooperation' were first discussed. How

might you describe this months-long process and what do you think has been its impact on the oil industry in general?

The consultations we held in Algeria paved the way to what has been a truly remarkable two years. I cannot recall any period of such intense international activity throughout my term as a Federal Minister. For my team and myself, it was a truly challenging — at times even grueling — experience but something that I would never take back. I could have dozens of telephone calls with my counterparts every day, and we had to account for both our own interests and our partners' concerns before every new round of talks. And, of course, despite all these immense preparations, when we arrived in Vienna there were plenty discussions still left on the table and we rose to the challenge.

We have said on numerous occasions that the recent oil crisis was partly the result of global speculative actions and at its birth wasn't substantiated by an actual economic footing. I am certain that the main result and impact of our cooperation is the understanding that real-sector players can safeguard the stability of the market through collaborative efforts, without the need to retreat to price fixing or other agreements.

The first 'stirrings' of negotiations and consultative meetings took place in late September 2016 on the sidelines of IEF15, which you also attended. How would you describe those first initial conversations and meetings the Russian Federation had with OPEC's Member Countries? How important was it that the consultations – and the eventual market rebalancing effort – be a broad-based collaborative one?

The challenges standing before the world economy were clear to all in September of 2016. We were forced to face an oil crisis the likes of which had not been seen for 45 years with oil prices plummeting more than twofold. At the same time, oil supply kept on rising: technological breakthrough as well as the optimization of expenditures allowed the profitability of most large projects to be ensured.

However, the potential in production growth was limited, especially in the terms of decreasing investment programs. Most of this growth stemmed from the investments that had been made earlier. If low prices and a lack of investment were sustained, such fundamental risks as shortages in energy resources, the accumulation of 'falling production volumes' and reductions in inventory growth would skyrocket.

A fall in free production capacity leads to the creation of risks related to the unplanned disposal of production capacities. If the system cannot respond rapidly enough to such challenges, this could accelerate volatility even further.

I am certain that all parties involved had an understanding of the situation at hand — that this could be our last opportunity to reach an agreement. The time had come for a new system of relations between producers and consumers to emerge — one steeped in mutually beneficial partnerships with the view of stabilizing the market as well as the global economy, and laying the foundation for long-term effective investments.

It has been interesting to see the various relationships between and among oil producing countries deepen and strengthen over the past two years. How has this contributed to the evolution of the oil market? What do you think will be its legacy in the months and years ahead?

Joint actions in this area allowed us to strengthen contacts on both a professional and personal level, which in turn contributed to the prolific advancement of our energy dialogue as a whole, unlocked

new horizons for cooperation built on the idea of reciprocal trust, respect and confidence — for which the seeds had been planted under the 'Declaration of Cooperation'. It is without a shadow of a doubt that boundless opportunities emerged before us in such areas as technological cooperation, joint R&D and the reinforcement of our own technologies, as well as the coordination of the implementation of complex fuel and energy projects. both domestically and in third countries.

Through our efforts, we managed to see each other not only as competitors, but also as parties who share common goals and duties.

In terms of its legacy, I would like to bring everyone's attention to the future of our cooperation, the new forms that it will adopt and new formats for interaction, which, like our current activities, will be aimed at the comprehensive provision of the interests of all market participants through transparent and economically justified joint actions. Our mutual commitment set a precedent which will be remembered for years to come.

The road from the 'Algiers Accord' to 'Declaration of Cooperation' has been described as long and challenging but certainly beneficial to the industry. How do you reflect on this process now, two years after its initial achievements?

To tell you the truth, it never ceases to amaze me how fast we managed to achieve such wide-formatted cooperation in such an expeditious manner — given that, at the end of the day, only two months had passed after the 'Algiers Accord' until the signing of the 'Declaration of Cooperation'. But upon further contemplation, I come to the realization that, for all intents and purposes, where there is a will, there is a definitely a way. And it was our unwavering unified will to ensure the rebalancing of the global energy market which guided us in finding a common ground in such a short span of time.

How vital was it that OPEC and non-OPEC producing nations came together to adjust production through the landmark Declaration of Cooperation in December 2016?

We all remember how feverish the market was two years ago with practically no positive forecasts in sight. Of course, as the world's largest oil producers, we felt a responsibility to ensure a sustainable and stable future for the market. But mindful of past unsuccessful attempts at voluntary adjustments, we would be hard pressed to say that we initially had a clear vision and confidence in our enterprise. It's obvious that the countries that participated in the Declaration are not only comrades but also competitors. But the meeting in Algeria showed us that despite everything, we would be able to conduct a faithful dialogue and share our fears with each other — all the while counting on our partners to listen to everyone and take their views into account.



Dr Mohammed bin Hamad Al-Rumhy

Oman's Minister of Oil and Gas



Dr Mohammed bin Hamad Al Rumhy, Minister of Oil and Gas, Oman.

*The role played by Ministers and other officials from important non-OPEC oil producing countries in the consultative process that began in Algiers and culminated in Vienna in 2016 cannot be over-emphasized. The input of such leaders — including **Dr Mohammed bin Hamad Al-Rumhy**, Oil and Gas Minister of the Sultanate of Oman — and their willingness to tirelessly participate in negotiations and deliberations, was essential for the creation of the broad-based consensus leading to the ‘Declaration of Cooperation’.*

Dr Al-Rumhy demonstrated his commitment to the shared OPEC and non-OPEC goal of restoring market stability, through his participation in various meetings and discussions. In these discussions, he was a steadfast and exhibited the leadership qualities one would expect from the top energy official of the world's oldest independent Arab state. In a recent interview, the *OPEC Bulletin* speaks with

Dr Al-Rumhy about the extensive process in late 2016 leading from Algiers to the ‘Declaration of Cooperation’ in Vienna, and about his role as a representative of one of the seven countries that serves on the Joint Ministerial Monitoring Committee (JMMC).

You and other representatives from other non-OPEC

producers have consistently played an important role in the process that led to the historic ‘Declaration of Cooperation’ and its subsequent implementation. How might you describe this process now, in retrospect? And how might you characterize the role of participating non-OPEC producers?

The role of non-OPEC members in the ‘Declaration of Cooperation’ that OPEC and key non-OPEC producers came up with in the latter part of 2016 has been described by many — including, I think, all of us — as a historical agreement. In hindsight, one might say that — and I think you know my views on this — we wasted time. I wish we had come up with this agreement not in 2016 or 2017 but in 2014. We could have avoided a painful three years that history will judge us with. We made mistakes in delaying an agreement of some kind. But I am, like many of us in both OPEC and non-OPEC, extremely pleased with the outcome of that agreement.

The Second Anniversary of the ‘Algiers Accord’ is being celebrated this month. How would you characterize the discussions that emerged from it — and which then led to the ‘Declaration of Cooperation’, two-and-a half months later? How optimistic were you at the time of these extended consultations that something that historic could be achieved?

I think the discussion that emerged from the ‘Algiers Accord’ was historical, and I am glad that we are coming together in Algiers exactly two years since the Accord was drafted and implemented by OPEC and non-OPEC. After that Accord, for the following few months, I had my doubts because we tried to make a lot of noises after the 2014 events that led to the market downturn, and the division in opinion (and in philosophy of market share) among some member states gave me doubts. But I think common sense prevailed — and the rest is history, as they say, and I am glad that all members came up with one voice to save the industry. I am glad it happened.

There are many ways to describe the road that led from the ‘Algiers Accord’ to the ‘Declaration of Cooperation’ in December 2016? How do you now reflect on this months-long process? And how might you describe it?

In my opinion, the ‘Declaration of Cooperation’ that resulted from the ‘Algiers Accord’ was a ‘savior’ of the industry. Our industry — and history will record this — was in really bad shape during those three years: 2014, 2015 and 2016. People lost their livelihoods, which is extremely important; and investment was being diverted from our industry, which we are seeing the rippling effect even now two years after the ‘Declaration of Cooperation’. So, I think the process that followed the Declaration to make it a reality — and to

come up with an agreement for a commitment to save the industry and a mechanism that will protect consumers in the long-term — was, if there’s a word or a phrase that we can use, a ‘saviour’ of the industry.

You have regularly participated in meetings of the Joint Ministerial Monitoring Committee (JMMC), supported by the Joint Technical Committee. What do you think of the role played by both bodies? How might you describe their contributions and impact to the implementation of the ‘Declaration of Cooperation’ and on the market rebalancing process generally?

Historically, whenever the oil producers in the last 20 years or so have been involved in this industry, there’s been a belief that any efforts at conformity — when it comes to adjusting production or trying to stabilize the market for both consumers and producers — are doubtful. The market never believed that producers could actually regulate themselves. So the Joint Ministerial Monitoring Committee (JMMC) — which I have been honored to be a member of, representing non-OPEC — played a role I think to ensure that the agreement is respected by all.

I like others to judge us; I do not like to judge myself. But I think the mandate given to the JMMC by all signatories of the ‘Declaration of Cooperation’ was executed with a high degree of integrity and belief by everybody. So I am very proud of the leadership — particularly of Kuwait and, later on, by the Kingdom of Saudi Arabia — to ensure that the JMMC really looked at the interests of all.

How do you think relationships among producers over the past two years have evolved? How successful have efforts to institutionalize a framework for cooperation between OPEC and non-OPEC producing countries been? What might remain to be done in this regard?

I think we all should be proud of the way we conducted ourselves — the large producers as well as the smallest producers. But the message that we sent was a message of fairness, a message of unity, a message of protecting the industry, and I think this should be celebrated by all of us. I am really proud to have been associated with all those who have shown care for the industry, care for the consumer, care for our own people, and for the good of the industry, and I think the last two years have shown the results of cooperation and the exchange of information and transparency, and involving market players as well as producers. We have redefined the key players of our industry — not only those who are big in production. I think we have sent a message of confidence to everyone. And I hope — and I am sure — it will happen that this agreement and this cooperation will stay and it will serve all of us. 

Interview with the OPEC Secretary General

A day that changed history

*Wednesday, September 28, 2016, was the 59th day of OPEC Secretary General, **Mohammad Sanusi Barkindo's**, tenure. But it was to be a day like no other. Following intensive discussions, an Extraordinary Meeting of the OPEC Conference was convened that set in motion a chain of events which would result in the historic 'Declaration of Cooperation'. The Secretary General took time to speak exclusively with the OPEC Bulletin about his personal recollections on that never-to-be-forgotten day.*

Those who have worked closely with Mohammad Barkindo are familiar with his legendary stamina. But even by his own high standards the first two months following his appointment as Secretary General on August 1, 2016, appear particularly grueling. He was engaged in the initial stages of a programme of shuttle diplomacy and consensus building which would become the hallmark of his leadership. "You must recall the conditions in the global oil market at the time of my appointment," reflects Barkindo. "From 2014 to 2016, world oil supply growth outpaced that of oil demand, with world oil supply growing by 5.8m b/d, while world oil demand increased by 4.3m b/d."

There were many consequences to this misalignment of supply and demand, said Barkindo. "By July 2016, OECD commercial stock overhang reached a record high of about 403m b over the five-year average," he said. "The OPEC Reference Basket price fell by an extraordinary 80 per cent between June 2014 and January 2016."

Barkindo was particularly concerned about the investment climate in the industry. "What was particularly ominous for consumers was the fact that investments were choked-off, with exploration and production spending falling by an enormous 25 per cent in both 2015 and 2016. Additionally, nearly \$1 trillion in investments

were frozen or discontinued, and many thousands of high quality jobs were lost. A record number of companies in our industry filed for bankruptcy," said Barkindo.

Lack of investment on this scale has very serious repercussions for future consumers, especially given the increase in world oil demand which is expected in the long term. According to OPEC's *World Oil Outlook*, long-term oil demand is expected to increase by 15m b/d, rising from 94.5m b/d in 2016 to 111.1m b/d in 2040.

Barkindo is keen to emphasize the importance of the investment angle, "to meet the projected increase in global oil demand, investments worth an estimated \$10.5tr will be required." But he adds: "Investment is also necessary to offset the impact of natural decline rates, which can be as high as five per cent per year. To maintain current production levels, the industry might need to add upwards of 4m b/d each year."

Despite the gloom which surrounded the industry, Barkindo sensed there was an opportunity for forging consensus. "Everyone agreed that the only way forward was working together," said Barkindo. "I was reminded of that old expression: 'the darkest hour is the one just before the dawn'. And a new dawn was about to break in Algeria."



*Mohammad Sanusi Barkindo,
OPEC Secretary General.*

Remembering particulars

Barkindo recalls the Algiers meeting particularly vividly. “The Ministers, in their infinite wisdom, decided to convene an extraordinary meeting of the conference, given the presence of the Ministers at the meeting of the IEF in Algeria.” The landmark decision taken at the 170th (Extraordinary) Meeting of the OPEC Conference in Algiers came after many rounds of consultative meetings and intensive talks. It underlined the Organization’s continued commitment to a ‘sustainable stability’ in oil markets, for the mutual interests of producing nations, for efficient and secure supplies to consumers, and with a fair return on invested capital for all producers.

The Conference decision to opt for an OPEC-14 production target ranging between 32.5m and 33m b/d was

focused on the need to accelerate the ongoing drawdown of the stock overhang and bring the rebalancing forward. “These are vital for market stability,” Barkindo explains. The decision was also taken following a thorough review and analysis of the global economic outlook, specifically the weaker than desired global growth and the economic uncertainties.”

The Conference in Algiers decided to establish a High Level Committee comprising representatives of Member Countries, supported by the OPEC Secretariat, to study and recommend the implementation of the production level of the Member Countries. Furthermore, the Committee developed a framework of high-level consultations between OPEC and non-OPEC oil producing





Abdelmalek Sellal (r), Algerian Prime Minister (2012–14 and 2014–17), with Mohammad Sanusi Barkindo, OPEC Secretary General.

“Everyone agreed that the only way forward was working together... I was reminded of that old expression: ‘the darkest hour is the one just before the dawn’. And a new dawn was about to break in Algeria.”

— Mohammad Sanusi Barkindo

countries, including identifying risks and taking pro-active measures that would ensure a balanced oil market on a sustainable basis, to be considered at the November OPEC Conference. It was not long before further steps were taken to develop a framework for high-level consultations between OPEC and non-OPEC oil producing countries.

The power of team spirit

Barkindo is keen to emphasize the team spirit and comradery which permeated everything — and which were crucial for the success of the discussions. “This is a remarkable group of statesmen. We have a dedicated Conference President in Dr Mohammed Bin Saleh Al-Sada, Qatar’s Minister of Energy and Industry. Algeria was an outstanding host, particularly Nouredine Boutarfa, who was then Algeria’s Minister of Energy. All of the Ministers performed heroically.”

Heroism is no hyperbole, as Barkindo is quick to point out. “These were the most intensive negotiations in the history of the Organization. Meetings lasted hours, days and nights. I witnessed displays of stamina in those sessions that I’ve never seen before in my life.”

Slightly more than two months later, another seminal decision would follow, the ‘Declaration of Cooperation’, which was agreed on December 10, 2016. Through that Declaration, an important and history-making partnership between OPEC and a select group of non-OPEC oil producers came into being. What followed in the two years since the ‘Algiers Accord’ and its culmination in the Declaration has been a remarkable resuscitation of the fortunes of the global oil industry.

Barkindo recognized the many outcomes of the positive momentum set in motion by the meeting in Algiers. “Accommodating a meeting such as this, which was organized under a very particular and unique set of circumstances, was not easy, so I would really commend our Algerian hosts for their outstanding hospitality. A new era for the oil industry began in Algiers and when future historians recall the pivotal events in the twenty-first century, Wednesday, September 28, 2016, will be remembered forever.”





Algerian Ministry of Energy

Abdelaziz Bouteflika

The President of Algeria

*Left: Abdelaziz Bouteflika
seen in 1963, right after
the Revolution.*

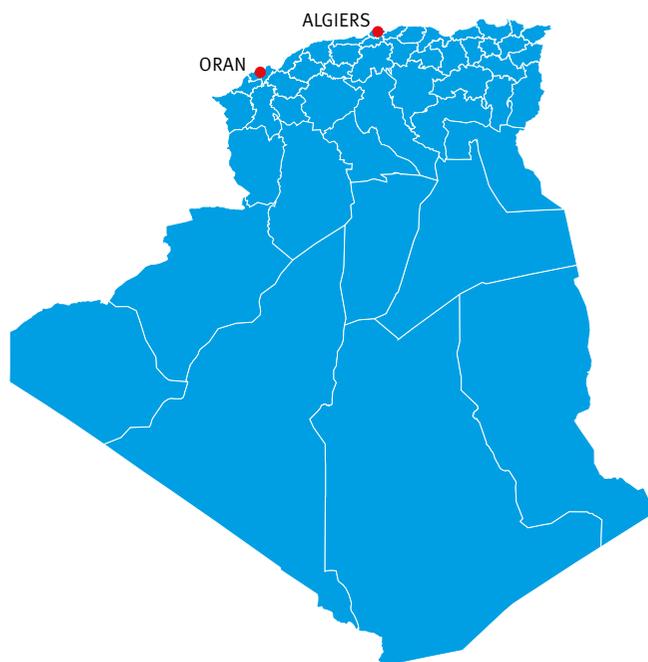


Algerian Ministry of Energy

Algeria and OPEC

49 years of unparalleled cooperation

Since it gained independence in 1962, the Republic of Algeria has played a critical and pivotal role in international fora, particularly in the field of energy. Its significant and decisive contributions to the activities of the Organization of the Petroleum Exporting Countries (OPEC) over the decades illustrates quite well the country's exceptional leadership and competence. In this feature, the OPEC Bulletin's Ayman Almusallam provides a historical overview of the country — and reports on the long-standing relationship between Algeria and OPEC, celebrating almost five decades of partnership and good, solid relations.



The Republic of Algeria is uniquely located in the centre of the Maghreb. It is bordered by the Mediterranean Sea to the north, Morocco to the west, Niger to the south-east, Libya to the east, Tunisia to the north-east, and Mali, Mauritania and the Western Sahara to the south-west

A land of superlatives, Algeria is territorially the largest OPEC Member Country and the tenth largest country worldwide. It spreads out over a land area of approximately 2.3 million sq km and its population is currently estimated at around 41 million. Its membership in the Organization speaks to its importance in the global oil industry — but the dynamics of its history underscore its historical and cultural importance through the centuries.

Early history and peoples

Well before its joined OPEC in 1969, Algeria had played an important role in early history, witnessing the rise

FACT BOX

Country name: Republic of Algeria
President: Abdelaziz Bouteflika
Head of Delegation: Mustapha Guitouni
Capital city: Algiers
Currency: Algerian Dinar

Official language: Arabic
GDP (\$): 174.10 billion
Proven crude reserves (barrels): 12.20 billion
Crude production (b/d): 1.06 million
Natural gas reserves (s cu m): 4,500 billion



The 57th Meeting of the OPEC Conference in Algiers, 1980.

and fall of many dynasties — such as the Numidians, Phoenicians, Romans, Byzantines, Umayyad, Abbasids and Ottomans. It is unclear when exactly human beings began to inhabit the area that now comprises Algeria but several artefacts have been found over the decades suggesting that a number of ancient civilizations once thrived in the area. There is even evidence of what scholars refer to as the ‘Aterian civilization’ of the Middle Stone Age, which disappeared around 30,000 BCE.

A Neolithic civilization eventually began to emerge in the area, which was dependent on agriculture and the

domestication of animals. The Phoenicians were also present in the region by the year 600 BCE. These various and rich civilizations notably contributed to the solid development of trade, agriculture, manufacturing and other sectors in the region.

The Romans also gained control of the region for a significant period of time. This led to the establishment of many small territories across the area — such as Tipaza, Timgad, Lambaesis, Tiddis and Djémila. To date, several ruins from that era remain well-preserved and protected. They are a testament to the rich and unique history of the region.

The 170th (Extraordinary) Meeting of the OPEC Conference in Algiers, September 28, 2016.



In the 7th century, Algeria became a territory of the Islamic Umayyad Caliphate. Upon its dissolution, several other dynasties rose to power — such as the Fatimids and Hammadids. This lasted until the Ottomans began to expand in North Africa in the 16th century.

Recent history

In 1830, France gained control over Algeria. The rule of Algeria by foreign colonial powers such as France marked a significant and pivotal chapter in the history of the region, as it witnessed unfortunate and at times acrimonious conflicts. Algeria was thereafter named ‘the Land of a Million Martyrs’. Years of conflicts and unrest were eventually followed by a period of peace and stability. Following the ‘Evian Agreement’ of 1962, Algeria gained independence to become a sovereign state and independent republic in the same year.

Since its independence, Algeria has embarked on a notable journey toward solid growth and remarkable prosperity. It soon became an active member in a number of prominent regional and international organizations, including the African Union, the Arab League, OPEC, OFID, the World Bank, the International Monetary Fund, the United Nations and the Arab Maghreb Union.

Presently, the Republic of Algeria comprises 48 provinces, 553 districts and more than 1,500 municipalities. Its current president is Abdelaziz Bouteflika.

Oil and its contributions

The location of Algeria provides the country with a distinctively competitive advantage, especially in regard to its national economy, as it overlooks the Mediterranean Sea. The North African country

A view of Oran, Algeria’s second largest city — and host of the 151st (Extraordinary) Meeting of the OPEC Conference.



Reuters

Shutterstock



Algerian President Abdelaziz Bouteflika holds his country's flag.



Algerian Prime Minister, Ahmed Ouyahia, seen at a conference in Paris, France, in 2018.



Mustapha Guitouni (c), Algeria's Minister of Energy; Eng Mohamed Hamel (r), Senior Advisor to the Minister and Algeria's Governor for OPEC; and Dr Achraf Benhassine (l), Algeria's National Representative to OPEC; attending OPEC meetings in Vienna in June 2018.

OPEC bulletin 8-9/18

is rich in primary resources and minerals. Agriculture, hydrocarbons and tourism are some of its key industries that have propelled its national economy forward. But it is hydrocarbons where the country has a distinctive edge over many other countries.

Though comparatively new, the oil and gas sector serves as the backbone of Algeria's economy. The sector's history dates back to 1956, when the first

commercial oil well — Edjelleh — was discovered. This first discovery was followed by a number of other successful attempts to identify new areas and wells that revealed a great wealth of crude oil reserves. Such robust and successful efforts soon led to the discovery of Hassi Messaoud oil field in the same year, which began to produce crude oil two years later in 1958.

Over the years, the country's vital oil industry kept

OPEC Meetings held in Algeria



1970 ALGIERS

20th Meeting of the OPEC Conference

1980 ALGIERS

57th Meeting of the OPEC Conference

1975 ALGIERS

1st Summit of OPEC Heads of States



2004 ALGIERS

129th (Extraordinary) Meeting of the OPEC Conference





2008 ORAN

151st (Extraordinary) Meeting of the OPEC Conference

2018 ALGIERS

September 22:
20th Meeting of the
Joint Technical Committee

September 23:
10th Meeting of the Joint
Ministerial Monitoring Committee

2016 ALGIERS

170th (Extraordinary) Meeting of the OPEC Conference



Former distinguished OPEC leaders from Algeria



Belaid Abdessalam, Minister of Energy and Industry, 1965–77.



Youcef Yousfi, Minister of Energy and Mines, 1997–99 and 2010–15.

growing in steady fashion providing the country and its people with a solid financial cushion. It has served it well during times of financial difficulties and economic distress. Accounting for an impressive 56.8 per cent of Algeria's total exports, the petroleum sector today undoubtedly plays a critical role in the betterment of living standards of all Algerians. In its November issue of 2008, the *OPEC Bulletin* detailed the solid policies embraced by the Algerian government in support of the improvement of living standards of the Algerian people.

The national oil company (NOC) of Algeria is Sonatrach, which is responsible of various aspects related to the production of crude oil, including exploration, extraction, refining, marketing and transportation. The state-owned company, which was founded in 1963, manages the crude oil and LPG pipeline networks in Algeria. It also possesses an extensive business

portfolio that features several joint ventures and subsidiaries operating worldwide, such as Naftal.

In an interview with the *OPEC Bulletin* (see page 33), Algeria's Minister of Energy, Mustapha Guitouni, commends the efforts undertaken by the Energy Ministry in developing new viable projects in the field of energy. With the interest of International Oil Companies, and with its recognized strategic position on the northern coastline of the African continent, Algeria promises to continue to be a key destination for many sorts of exploration and production projects.

A 'marriage' for market stability

The history of the relations between Algeria and OPEC dates to 1966, when Algeria first attended the 11th Meeting of the OPEC Conference as an observer. The meeting, which took place in the Austrian capital



Chakib Khelil, Minister of Energy and Mines, 1999–2010.



Noureddine Boutarfa, Minister of Energy, 2016–17.

of Vienna in April of that year, marked the beginning of unparalleled and unique partnership.

Three years later, the OPEC Conference unanimously accepted Algeria's request to join the Organization as a Full Member. The decision was adopted at the 18th Meeting of the OPEC Conference, which was held in Vienna, Austria, on July 8–9, 1969. In doing so, Algeria became the 10th oil producing country to join OPEC.

Over the years, Algeria and OPEC have developed strong and exceptional ties, providing a solid foundation for continuous and inspiring cooperation. Algeria has consistently played a pivotal and leadership role in the Organization's efforts. It has supported its objectives and mission, particularly in regard to maintaining oil market stability in the interest of the industry's producers, consumers and investors.

The North African oil producing country has also continuously strived to bring OPEC Member Countries closer

through dialogue and discussions in order to strengthen the unity among the Organization's Members. Algeria has also maintained an exceptional presence in various other international fora and in global affairs in general, demonstrating an excellent, vigorous and unique leadership style.

Algeria has hosted eight important OPEC Meetings since it joined the Organization. The first of these meetings was the 20th Meeting of the Conference held in the capital of Algiers, under the chairmanship of its President, Belaid Abdesselam, Algeria's Former Minister of Industry and Energy. The Conference took place between June 24 and 26, 1970.

Various other meetings have taken place over the years. The September 2016 meeting, which produced the 'Algiers Accord', was of course one of the most important outcomes of any meeting in recent years as it culminated in the 'Declaration of Cooperation' a few months later.



*Dr Abderrahman Khène,
OPEC Secretary General,
January 1, 1973–
December 31, 1974.*

Algeria — leading by example

Looking at Algeria's overall contributions to the hydrocarbons sector over the many decades — and to global affairs, in general — it is evident that the country's officials and dignitaries exhibit remarkable qualities and characteristics. This, in addition to profound technical skills, has served them well and has allowed them to serve as veritable role models in the field of international relations and energy diplomacy.

As an influential Member of OPEC, Algeria has also generously provided the Organization with some outstanding figures and leaders over the years. These are individuals who have helped guide and direct it to a brighter and more promising future. For instance,

since it joined the Organization, Algeria has provided the Organization with no less than six accomplished Presidents of the OPEC Conference and one esteemed OPEC Secretary General.

From its very first day in OPEC, Algeria has demonstrated how a Member Country can remain a true leader, while also remaining dedicated and committed toward achieving the Organization's broader objectives and mission.

It has consistently led by example. And we can expect Algeria to continue to do so, and to continue to contribute and enrich the legacy of OPEC, for many more decades to come.



Interview with

Mustapha Guitouni

Minister of Energy, Algeria

On the sidelines of the 15th International Energy Forum Ministerial (IEF15) held in Algiers, Algeria, on September 26–28, 2016, the OPEC held a critical consultative meeting to examine and discuss the unprecedented oil market situation and reaffirmed their commitment to market stability. The meeting turned into the 170th Extraordinary Meeting of the OPEC Conference, which resulted in the historic ‘Algiers Accord’ between OPEC Member Countries.

This Accord soon became a cornerstone for a significant phase in the history of the oil industry and opened the way for OPEC and participating non-OPEC oil producing countries to deliberate and decide on the best means to respond to the market challenges of the moment.

*In this special edition of the OPEC Bulletin, Ayman Almusallam interviews Algeria’s Minister of Energy, **Mustapha Guitouni**, who reflects on that historic meeting, the impact of the ‘Algiers Accord’ on the oil sector and his country, and discusses the current market situation.*



Mustapha Guitouni, Algeria’s Minister of Energy.

Last September marked the First Anniversary of the ‘Algiers Accord’. We are now celebrating its Second Anniversary here in Algiers. How do you assess the journey from the Accord to the landmark ‘Declaration of Cooperation’? How do you see it evolving in the future?

Algeria is very honoured to host the 10th meeting of the Joint Ministerial Monitoring Committee, as well as the 20th meeting of the Joint Technical Committee, and to take this opportunity to celebrate the Second Anniversary of the ‘Algiers Accord’, the historic and landmark decision adopted by the 170th (Extraordinary) meeting of the OPEC Conference in September 2016.

The ‘Algiers Accord’ was the result of a lengthy period of dialogue and consultations among OPEC Member Countries and oil producing countries outside the Organization — a two-year period of shuttle diplomacy that began in the aftermath of the deep downturn of the oil market in 2014, whose adverse impacts were felt throughout the energy scene, by producers, consumers, as well as the entire energy industry.

At the beginning of 2015, Abdelaziz Bouteflika, President of the Republic, sent special envoys to oil exporting countries from OPEC and non-OPEC, to explore ways and means to stabilise the oil

market for the benefit of all. This initiative established new channels of communication and allowed for a continued dialogue, one that has since paved the way to the landmark ‘Algiers Accord’, and thereafter to the historic ‘Declaration of Cooperation’.

The ‘Algiers Accord’ was a political decision that crystallized the convergence of views around two basic principles: one, a continuation of the deep downturn in the oil market is detrimental to all, producers and consumers alike; and two, market rebalancing and the return of investments in the industry are necessary and beneficial to all. In this connection, I would like to thank all OPEC Member Countries for their courage, dedication and willingness to compromise, without which such an agreement would not have been possible.

The OPEC High-level Committee that was established by the ‘Algiers Accord’, and which has been chaired by Algeria’s Governor for OPEC, as well as the expert meeting with non-OPEC Countries, co-chaired by Algeria and Azerbaijan, helped prepare the technical details of the historic decision that the OPEC Conference adopted on November 30, 2016, as well as the elements of the ‘Declaration of Cooperation’ between 24 participating oil exporting countries, signed on December 10, 2016.

I wish to underline an important point: in addition to being the first agreement that OPEC has reached with such a high number of non-OPEC countries, the ‘Declaration of Cooperation’ included a very innovative feature, suggested by the Algerian proposal — namely, the establishment of the OPEC/non-OPEC Joint Ministerial Monitoring Committee (JMMC). This turned out to be very useful in ensuring the effective implementation of the agreement, as epitomized by historically high levels of conformity, the continuous monitoring of market conditions, and the source for dialogue and exchange of views conducive to further joint decisions. The very fact that we are holding its 10th meeting in Algiers is a testament to its importance and success.

I look forward to reinforcing and institutionalising the OPEC/non-OPEC cooperation as a permanent platform for the technical exchange of views and analysis, and high level political dialogue.

What might the oil market and the global economy look like without the historic ‘Declaration of Cooperation’?

It is clear that the ‘Declaration of Cooperation’ is a success. Whichever market indicator you consider, its evolution has been in the right direction, be it stocks levels, market structure, prices, and last but not least, investments. In 2015 and 2016, global oil and gas investments declined by almost half. Such a decline, if it had continued, would undoubtedly have led to a scarcity of supply in the medium-term, with supply not meeting demand, a situation that is detrimental to consumers and producers alike, and to the world economy in general. Excessive volatility is to the benefit of no one.

Lately, the initiative of institutionalising the ‘Declaration of Cooperation’ has been discussed. What are the steps that need to be completed to achieve this goal? And what are the benefits in the long-term?

First, it should be recalled that the countries participating in the ‘Declaration of Cooperation’ decided to strengthen their cooperation, including through joint analyses and outlooks, with a view to ensuring a sustainable oil market, and to regularly review the status of their cooperation at the technical and ministerial levels. The Ministers recognized the need for joint cooperation of the oil exporting countries to achieve a lasting stability in the oil market in the interest of oil producers and consumers.

Discussions and exchanges of views are ongoing on the ways and means to institutionalize the cooperation among participating countries. We have provided our views and we are listening to others’ views. As usual, we favour flexibility and consensual approaches that benefit all.

We need to build upon the great successes that we have achieved up to now, and leverage the confidence and positive experience that we have disseminated. Remember, very few believed before the OPEC Meeting in Algiers that producers could agree

among themselves. Yet we have been able to demonstrate that, by working together, producers can be up to the challenges.

I am optimistic. I believe we can put together a flexible framework that reinforces and makes permanent the cooperation among participating countries, in particular with regard to technical studies and analysis, and to regular dialogue at a high level, with OPEC playing a central and permanent role.

At the 174th Meeting of the OPEC Conference, OPEC Member Countries reaffirmed their long-standing commitment to market stability. The Conference also advised Member Countries to adhere to a 100 per cent conformity level in accordance with the voluntary production adjustments proposed in 2016. How important is this decision for rebalancing the international oil market?

Market rebalancing is well under way, thanks to the effective implementation of the ‘Declaration of Cooperation’. The stock overhang has sharply declined, market sentiment has improved and the decline in investments has ended. The decision to adhere to a 100 per cent global conformity level was natural, in the sense that while the process of rebalancing the market has not yet ended, we should thus not be complacent. At the same time, it is important to ensure that the market is well supplied. This is the spirit of the ‘Declaration of Cooperation’: ensuring lasting market stability in the interests of oil producers and consumers.

In 2017, you became Algeria’s Minister of Energy. You have since then played an integral role in efforts to restore market stability, particularly through the ‘Declaration of Cooperation’ and at subsequent meetings. How would you summarize the role played by your country in supporting market stability?

Algeria has achieved a level of conformity of 104 per cent on average since January 2017. This is a positive achievement.

Algeria plays an active role in the JMMC and the JTC, as well as in the consultations with participating countries to ensure the successful implementation of the ‘Declaration of Cooperation’. Guided by the principles of openness and respect, we will continue working with all countries in order to make progress for the benefit of all.

The special tribute paid by OPEC to the President of the Republic, Abdulaziz Bouteflika, is recognition of the positive role played by Algeria, and a show of gratitude for its contribution.

How do you assess the current state of the oil sector in Algeria? What is your outlook for it in 2019 and beyond?

Currently the oil sector in Algeria is at an important juncture, both in terms of upstream policy and prospects as well as regarding the transformation industry and the domestic market.

The oil production level, which has seen a decrease in volume compared to some ten years ago, has resumed an upwards trend that will be consolidated over the medium-term, as laid down in

our National Oil Company (Sonatrach) approved plan. Although this increase is moderate, it will be steady over that period.

Indeed, guided by the orientations of Abdelaziz Bouteflika, a new dynamism has been injected into the sector. For example, the downstream is experiencing an important development, as the refining capacity has been increased further by the nearly-completed revamping programme. Moreover, the construction of the Hassi Messaoud refinery will substantially increase the overall refining capacity.

Furthermore, the conversion capacity is to be increased with the ongoing construction of two naphtha reforming units and one fuel cracking unit. In addition to its domestic refining industry expansion, Algeria has recently acquired an important refinery in Sicily (Italy) that will give Sonatrach more flexibility in the valorisation of its crude oil and refined products.

Apart from refining, Algeria has launched an ambitious development programme of its petrochemical industry, mostly in partnership with renowned international companies.

Finally, on the internal market it is worth mentioning that Algeria has taken major step in harnessing its domestic oil consumption, which has experienced a decrease over the last two years.

All these efforts will be strengthened by the changes that we are about to bring into the legal and regulatory framework. In this connection, Algeria has initiated a revision of its hydrocarbon law that is expected to be finalised in early 2019, with the primary target to improve the attractiveness of its hydrocarbon domain for investors in order to ensure a long-term development of its industry and meet its domestic energy needs.

Are there any key projects in Algeria being developed at the moment that you would like to mention? Are there any noteworthy joint venture projects in the oil sector?

As mentioned earlier, the energy sector, including the oil and gas industry, is experiencing steady growth thanks to great number of projects under development along the hydrocarbon chain. In the upstream, I may mention the Hassi Messaoud project for oil, and the Tinhert and Touat projects for natural gas. These projects are the most important single contributors to the expected production growth over the medium-term. The boosting phase III of Hassi R'mel is also worth to mention in view of its impact on the output of that field.

In the transportation and downstream segment, there are also major projects under development or planned for the medium-term that would significantly increase the capacities of the industry — such as the GR5 gas pipeline and the new Hassi Messaoud.

The petrochemical segment will also see major development with five projects to be developed in partnership, totalizing an investment of \$9 billion. Among these joint ventures, I may mention the Propane Dehydrogenation and Polypropylene Production (PDH/PP) in Arzew.

Indeed, Sonatrach seeks to develop and promote partnerships and joint ventures with willing companies all along the hydrocarbon chain, with the most up-to-date technologies and management and marketing capabilities, on the basis of a win-win approach, as illustrated by the joint ventures concluded so far with some majors in the industry.

In addition to oil, Algeria is one of the world's key exporters of natural gas. What is your assessment of the natural gas sector in your home country? And how do you foresee its future?

In Algeria, natural gas occupies an important position within the energy and economy landscape, both in terms of volume and export revenues, as well as regarding its multiple uses. It plays a major role in meeting the country's domestic energy needs with a dominant role as power generation fuel and as raw material for the country's petrochemical industry. The exported volumes represent more than half the overall hydrocarbon exports. This share is expected to increase in the future. Moreover, it will accompany the development of renewable energy.

Algeria is the fifth gas exporter in the world. As you are aware, Algeria played a pioneering role in LNG exports since 1964, as well as in deep water transcontinental pipelines since the early 1980s. Algeria is thus among the very small group of countries that exports both LNG and pipe gas, with an overall export capacity of almost 90 billion cu m per year.

The current situation of natural gas confirms its development over the years, both in the domestic market where it meets nearly two-thirds of its energy needs as well as in the external market where it represents half of the country's export volumes. This position has required the development of the industry along the full gas chain, from the upstream to pipeline infrastructure to liquefaction plants with an important fleet of LNG carriers. This industry is being consolidated in order to pursue its development further, in view of the country's resource potential, and its energy and export revenues needs.

Regarding the future, I think natural gas will continue to play an important role in the Algerian economy and on the international market. Indeed, our energy and natural gas policies include the development of the resource potential mentioned above, in addition to the expansion of exploration activity to enlarge the reserve base. It is for this purpose that the hydrocarbons legal framework is soon to be adapted and improved.

I wish to end by underlining that Algeria's energy policy also includes the promotion of renewable energy resources and energy efficiency in order to save more gas volumes for the future and extend the life of this exhaustible energy source. I am convinced that Algeria will succeed in its energy transition over the long-term, with natural gas playing a major role.

Thank you for your time.



Interview with Eng Mohamed Hamel Governor for OPEC, Algeria



Eng Mohamed Hamel, Algeria's Governor for OPEC.

In September 2016, OPEC Member Country Algeria witnessed the first step towards the birth of a vital consultative platform for OPEC and non-OPEC oil producing countries. This was the result of extensive efforts made by a significant number of ministers and high-level officials, all committed to securing oil market stability in the wake of an unprecedented market downturn during 2014–16. History was soon made – and OPEC Members eventually reached consensus on what eventually became known as the ‘Algiers Accord’.

The role of Abdelaziz Bouteflika, President of the People’s Democratic Republic of Algeria, was key in the journey towards the ‘Algiers Accord’. The President’s initiatives since the beginning of 2015 have helped establish lines of communication at the highest level with a view to stabilizing the oil market

*As a protagonist in the development of this historic Accord – which eventually culminated in the landmark ‘Declaration of Cooperation’ along with ten non-OPEC oil producing countries – the OPEC Bulletin’s Ayman Almusallam spoke to **Eng Mohamed Hamel**, Algeria’s Governor for OPEC, about the day on which the historic Accord was signed.*

We are currently celebrating the Second Anniversary of the ‘Algiers Accord’. The meetings leading to this were exhaustive. Can you please describe the spirit among OPEC Ministers and representatives back in 2016, prior to reaching the Accord?

The historic ‘Algiers Accord’ was, in fact, the outcome of a year-and-half of shuttle diplomacy, in response to the dramatic downturn of the oil market that began mid-2014. As early as 2015, Abdelaziz Bouteflika, President of the Republic, sent special envoys to a number of oil exporting countries, from OPEC and outside OPEC. This helped to build lines of communication, create new dynamism in consultations about market conditions and prospects, and exchange views on ways and means to bring renewed stability to the market. Other countries were also working to this end.

In 2016, the adverse repercussions of the long oil market downturn were deeply felt by all actors of the energy scene – producers, consumers, and the industry. There were massive layoffs, a sharp reduction in oil investments, lack of confidence in the future, etc.

In February and April, Ministers from OPEC and non-OPEC countries met in Doha to forge an agreement to stabilise the market. Unfortunately, these attempts were unsuccessful.

A few months later, when OPEC met in June 2016, there was a shared conviction that this situation was not sustainable and that it was detrimental to all. This sentiment sharpened in the run-up to the consultative meeting held on September 28 in Algiers, on the sidelines of the 15th International Energy Forum Ministerial.

The shuttle diplomacy intensified in the summer of 2016, leading to a better understanding of positions, principles and ‘red lines’, and even of some early quantitative proposals. It was clear that there was openness, willingness to cooperate and to find consensual solutions. No one wanted a repeat of past failures – and were convinced that the continuation of an unstable oil market for a longer period of time, combined with drastic cuts in oil investments, would only undermine the world economy and be detrimental to both producers and consumers.

However, many outside the Organization expressed doubts about the ability of OPEC to reach an agreement. OPEC, however, demonstrated once again that, when faced with difficult challenges, it can be up to the task. It demonstrated that it was still an effective organization.

The initial consultative meeting between OPEC Member Countries that took place in September 2016 occurred on the sidelines of IEF15. How would you describe the consultation among OPEC's Member Countries that led to the 'Algiers Accord'?

As I said earlier, consultations among OPEC's Member Countries intensified in the run-up to the consultative meeting, and continued unabated on the sidelines of the IEF15. The recently-built well-designed International Convention Centre, located near a beautiful beach on the Mediterranean, west of Algiers, offered the right facilities for bilateral meetings and informal ministerial consultations, ahead of the official consultative meeting, with Algeria under the leadership of Abdelaziz Bouteflika playing a key role in this regard. Quantitative scenarios were developed by Algeria to help anchor the informal discussions. The presence of producers from non-OPEC countries allowed for additional fruitful exchanges of views.

The openness and the positive spirit of all Ministers, and their willingness to engage in serious negotiations, were a clear indicator that past failures could be avoided. There was a sentiment of optimism and a shared conviction that there was no other choice than success. The stakes were too high.

Nevertheless, it took no less than seven hours of negotiations in the closed consultative meeting to reach a formal agreement. A feeling of relief was visible in the crowd when the meeting room opened up and the news spread that the consultative meeting has been transformed into the 170th (Extraordinary) Meeting of the Conference — and that a positive decision has been reached.

The 'Algiers Accord' was thus born. It was indeed a landmark decision. It has shown the unity of OPEC and the ability of its Member Countries to overcome their differences. It has demonstrated the effectiveness of OPEC to respond to oil market challenges in a cooperative manner, for the good of all — producers, consumers and the industry.

The High-Level Committee of the 'Algiers Accord' (HLC), which you capably chaired, played a decisive role in establishing a solid framework for cooperation and dialogue between OPEC and some non-OPEC oil producing countries that eventually led to the 'Declaration of Cooperation'. What was the key to this Committee's success?

It was a great honour to chair the High-level Committee, which was established by the 'Algiers Accord', and formed by experts from OPEC member Countries. The HLC was mandated to study and recommend the implementation of the production level of the Member

Countries, taking into account the overall production interval target agreed in the 'Algiers Accord'. The HLC was also tasked with developing a framework of high-level consultations between OPEC and non-OPEC oil producing countries, aiming at ensuring a balanced oil market on a sustainable basis, to be considered at the OPEC Conference meeting in November of that year.

The openness, dedication, ability to engage seriously and positively in the discussions, and the willingness to compromise that have been shown by all Member Country representatives have greatly facilitated the work of the HLC. I wish to take this opportunity to express once again my thanks and gratitude to all of them.

The able technical support of the OPEC Secretariat, under the leadership of Mohammed Sanusi Barkindo, OPEC Secretary General, was also of great importance. They deserve our deep gratitude.

Three meetings were necessary for the HLC to finalise its work.

From the outset, my priority was to build trust and confidence in the process, and demonstrate to all participants that they would be equally treated, that their concerns would be taken fully into consideration, and that their legitimate interests would be safeguarded. The first expert meeting was thus dedicated to listening and understanding the views of all parties. I called it the 'divergence phase'. The second meeting — the 'convergence phase' — was dedicated to tackling difficult specific technical issues, such as the use of secondary sources, reference production levels, reference dates, capacities, exceptional circumstances, etc.

The Algerian proposal was accepted by participants as a basis of discussion. An Extraordinary Meeting was called to finalise the report of the HLC to the Ministerial Conference. But it was clear that some elements had to be left to the political level to finalise the convergence. This was successfully achieved by the early hours of November 30, paving the way to the landmark decision of the 171st meeting of the OPEC Conference.

An OPEC/non-OPEC technical meeting, chaired by Algeria and Azerbaijan, was then held to discuss market conditions and discuss the potential contribution of non-OPEC oil producing countries to market rebalancing, and ways and means to consolidate this cooperation.

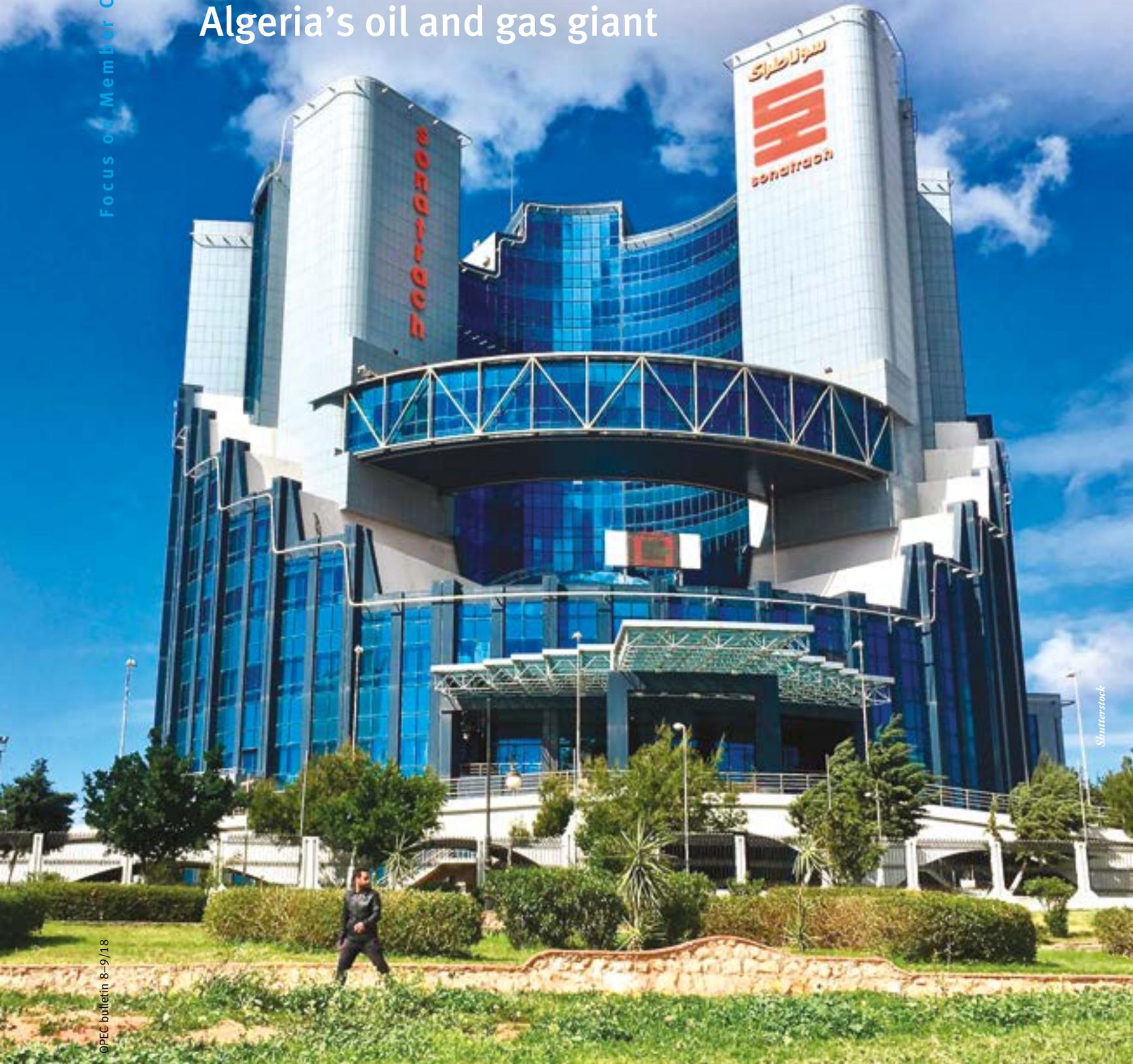
For many years, Algeria has been a generous host for a number of OPEC Meetings. In fact, the last OPEC Meeting that occurred in Algeria, previous to the 170th Extraordinary Meeting of the OPEC Conference, was the 151st Extraordinary Meeting of the OPEC Conference, which took place in Oran in 2008. Which of these meetings was the most impactful? In what way?

Both meetings were extremely important. They brought adequate responses to the dire conditions of the oil market and helped bring it back to balance. In both meetings, Algeria — under the leadership of Abdelaziz Bouteflika — played a leading role in finding consensual solutions that were satisfactory to all.



SONATRACH

Algeria's oil and gas giant





Abdelmoumen Ould Kaddour, Sonatrach's CEO, with employees at a gas site in Hassi R'Mel, Algeria.

Sonatrach is Algeria's National Oil Company. It is the largest oil and gas company in Algeria and Africa.

Sonatrach — which is an abbreviation for *Société Nationale pour la Recherche, la Production, le Transport, la Transformation, et la Commercialisation des Hydrocarbures* — was founded on December 31, 1963. The company eventually acquired all Algerian petrochemical resources following then-President Houari Boumedienne's nationalization of all French oil and gas holdings beginning on February 24, 1971.

Activities

The company is in charge of the exploration, production, extraction, refining, pipeline transportation and marketing of the country's extensive hydrocarbon resources and products.

The company's upstream activities include research, exploration, development and production operations. Its downstream activities are primarily in the development and exploitation of natural gas liquefaction units, and LPG separation and refining.

The company, which employs more than 120,000 workers, produces approximately 30 per cent of the GNP of Algeria. In recent years, Sonatrach has stepped up its investments in other areas order to diversify its operations and activities. It is now involved in power generation, new and renewable energies, water desalination, and mining exploration and exploitation.

Sonatrach operates Hassi Messaoud, the largest oil field in

Algeria. It also operates the Hassi R'Mel field, which is located north of Hassi Messaoud and south of Algiers. Some of the other major fields operated by Sonatrach include Haoud Berkaoui/Ben Kahla, Tin Fouye Tabankort, Zarzaitine and Ait Kheir. It also has concessions in Libya, Mauritania, Peru, Yemen and Venezuela.

Pipelines

Sonatrach operates over 3,900 km (2,400 miles) of crude oil pipelines in the country. The most important of these carry crude from Hassi Messaoud to various export terminals.

Sonatrach also operates LPG pipeline and oil condensate networks that connect the Hassi R'mel field and other fields to the port city of Arzew.

Chief executives

The company's current Chief Executive Officer is Abdelmoumen Ould Kaddour, who has held the position since March 2017. Its previous CEOs were: Sid Ahmed Ghozali (1966–77), Yousef Yousfi (1985–88), Sadek Boussena (1988–90), Abdelhak Bouhaf (1990–95), Nazim Zouioueche (March 1999–2000), Chakib Khelil (March 2001–03), Mohamed Meziane (September 2003–10), Nordine Cherouati (May 2010–December 2011), Abdelhamid Zerguine (December 2011–July 2014), Said Sahnoune (July 2014–June 2015) and Amine Mazouzi (June 2015–March 2017). 

Left: Sonatrach head office building in Oran, Algeria. Sonatrach is the largest oil and gas producer in Africa.

Panoramic view of Bounoura, one of the five cities making up what is referred to as the M'Zab Pentapolis.



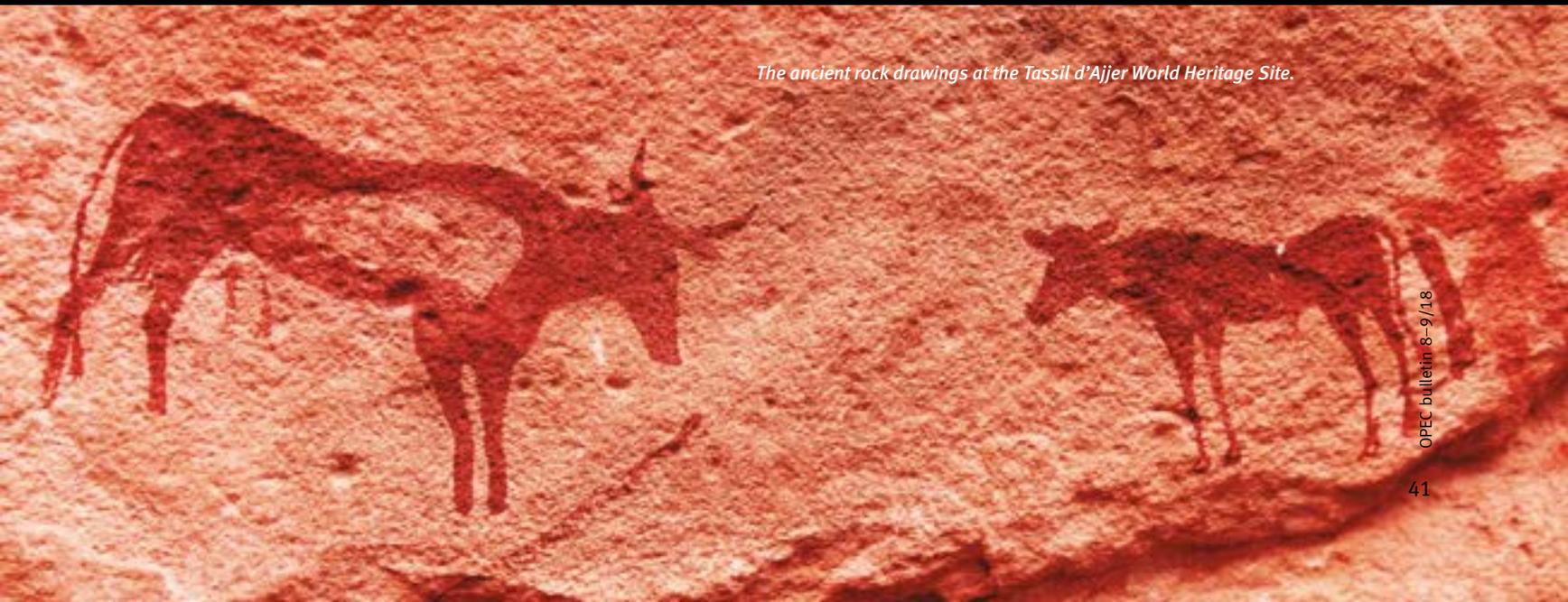
Algeria's cultural gifts to the world

The ruins of a mausoleum in the Tipasa World Heritage Site.





*Algeria has a rich and diverse cultural heritage that dates back to ancient times. Through the centuries, the country has been the temporary home to a variety of dynasties and empires, which has resulted in its current-day melting pot of ethnic and cultural influences. The United Nations has recognized this rich cultural heritage through the years by designating seven sites around the country as World Heritage Sites. The OPEC Bulletin's **Scott Laury** takes you on a tour of these magnificent masterpieces of Algerian heritage.*



The ancient rock drawings at the Tassil d'Ajjer World Heritage Site.

In 1972, the United Nations Educational, Scientific and Cultural Organization (UNESCO), based in Paris, France, adopted an international treaty called the *Convention concerning the Protection of the World Cultural and Natural Heritage*. The treaty's goal was to identify, protect and preserve cultural and natural heritage around the world that is considered to be of outstanding value to humanity.

Countries who wish to have their cultural or natural heritage sites listed on the UNESCO register must first nominate their sites, which then must meet a strict set of criteria set out by UNESCO before being awarded the prestigious World Heritage Site designation.

A worldwide footprint

Today, there are 1,092 World Heritage Sites in 167 countries. Of these, 845 are classified as cultural sites, 209 are natural sites and 38 are mixed properties.

The world's sites are divided into five geographic zones or regions: Africa, Arab States, Asia and the Pacific, Europe and North America, and Latin America and the Caribbean. Europe and North America are home to the highest number of cultural sites, with 440, out of a worldwide total of 885. As far as natural sites go, Asia and the Pacific host the highest number with 65 designations, out of a total of 209 sites.

Italy is the country with the highest number of overall sites with 54, followed closely by China, with 53, and then Spain and France, with 47 and 44 sites, respectively.

Algeria — a cultural and natural treasure trove

Algeria is classified within the UNESCO's Africa region, and with seven sites, it is one of the top countries in the region.

Africa is home to a total of 135 World Heritage Sites in 37 countries. Ethiopia, Morocco and South Africa host the largest number of sites, with nine each, followed by Tunisia with eight, and Algeria, Egypt, Senegal and Tanzania with seven each.

The first sites to be designated in Africa were in 1978, when Senegal's Gorée Island and Ethiopia's Rock-Hewn Churches were selected.

Al Qal'a of Beni Hammad

In 1980, Algeria's first UNESCO World Heritage Site — Al Qal'a of Beni Hammad — was inaugurated in the northern Algerian province of Wilaya, roughly 36 km to the northeast of the town of M'Sila.

A remote and majestic mountainous area located at 1,000 meters of altitude, the serene beauty of the archaeological site bears the historical ruins of the first capital of the Hammadid emirs.

The ruins left behind at the site have been well preserved, providing visitors with a genuine insight into what a typical fortified Muslim city looked like at that time.

The site was founded in 1007 by Hammad — the son of Bologhine, who is credited as the founder of Algiers — and abandoned in 1090 due to the imminent threat of a Hilalian invasion.

As the first capital of the Hammadid emirs, the site was built with grandeur, containing the great mosque and its minaret, as well as a series of palaces, all of which were surrounded by 7 km of fortified walls.

The opulent mosque, with its prayer hall featuring 13 naves and eight bays, is among the largest in Algeria after the Mansourah mosque, and its minaret is Algeria's second-oldest after the one in Sidi Boumerouane.

The ruins are a living testament to the brilliant and refined nature of Hammadid civilization with its unique architecture and advanced design techniques carried out on a grand scale.

First founded as a military complex, the site

The archaeological site of Al Qal'a of Beni Hammad.





Djémila, an archaeological zone with well preserved Berber-Roman ruins.

evolved and was elevated to the status of a metropolitan area. It has had widespread influence on the development of Arabian architecture, not only in the Maghreb and the Middle East, but also in Europe, including Spain (Andalusia) and Italy (Sicily).

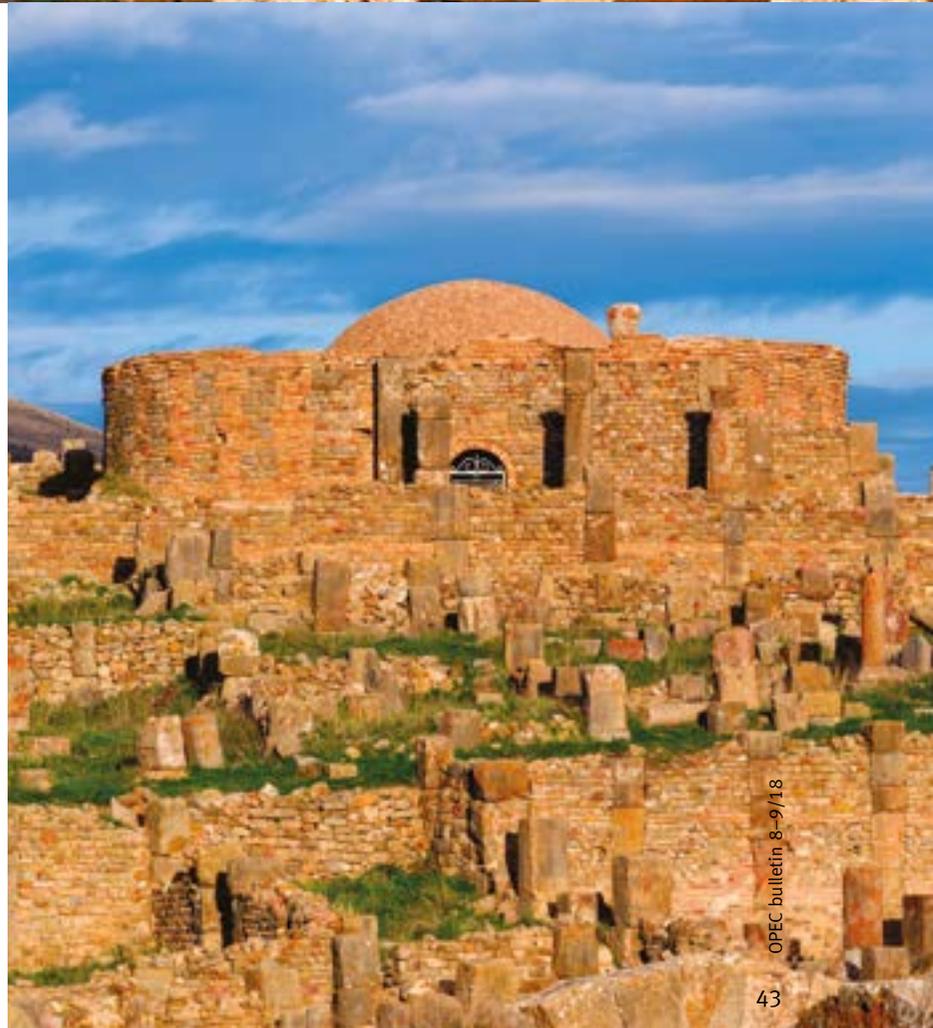
Djémila

Two years after the inauguration of Al Qal'a of Beni Hammad, Algeria unveiled its second World Heritage site — Djémila. Also located in a mountainous area, 900 metres above sea level, the site was a Roman settlement complete with a forum, a senate, a marketplace, temples, basilicas, triumphal arches and residential buildings.

Located 50 km to the northeast of Sétif in northern Algeria, Djémila, also known by its Roman name Cuicul, was founded during the reign of Nerva who was in power from 96–98 CE.

The site's structures were prime examples of Roman architecture in North Africa during the period from the 2nd to the 6th century. Its mountainous location, perched between the Guergour and Betame valleys, provided it an optimal defensive position for the Romans.

A Christian baptismal area found in Djémila.



El-Atteuf, one of the five cities making up what is referred to as the M'Zab Pentapolis.



Djémila was a prototype of Roman urban design, with two gates at each end of the *Cardo Maximus* and the Forum in the centre, which was surrounded by all the essential buildings featured in the daily lives of the Roman populace. These include the Capitoleum, the Curia, the Basilica Julia, vestiges of the Venus Genitrix temple, as well as an array of lavish residences with ornate mosaics occupied by the ruling aristocracy.

Other structures of note included the Arch of Caracalla (216), the Temple of Gens Septimia (229), a 3,000-seat theatre, a market, baths as well as basilicas and other religious buildings. These ancient structures have remained surprisingly intact over the centuries, providing visitors today with a unique understanding of how the Romans lived at that time. In addition, a stunning collection of mosaic pavements depicting Roman mythology and scenes from daily life tell the story of ancient times in this North African Roman outpost.

The site was influenced by Christianity and hosted several important structures, including a cathedral, a church and a baptistery, which are recognized as among the largest of the Paleochristian period.

M'Zab Valley

Inaugurated in 1982 as a World Heritage Site, the five fortified villages, or ksour, of the M'Zab Valley constitute a traditional, ancient settlement dating back to the 10th century and the Ibadites.

Located in the middle of the Sahara Desert, about 600 km south of the capital of Algiers, the habitat comprises the villages and palm groves of El-Atteuf, Bounoura, Melika, Ghardaïa and Beni-Isguen, which were founded between 1012 and 1350.

The settlements' traditions, cultural lifestyle and unique building techniques have been preserved since the 11th century. The miniature citadels, surrounded by walls, are an indication of the towns' need to defend itself from past threats of outside invaders and potential sieges. This also can be seen with the mosque, whose minaret most likely also functioned as a watchtower.

The unique stark white and earth tone houses were built using local materials and were positioned in a circular format up to the ramparts, symbolizing the egalitarian ideals and respect for the institution of family, which were highly valued in Ibadite society. Built to promote community life, the dwellings were known for



their simplicity, functionality and their adaptation to the local environment.

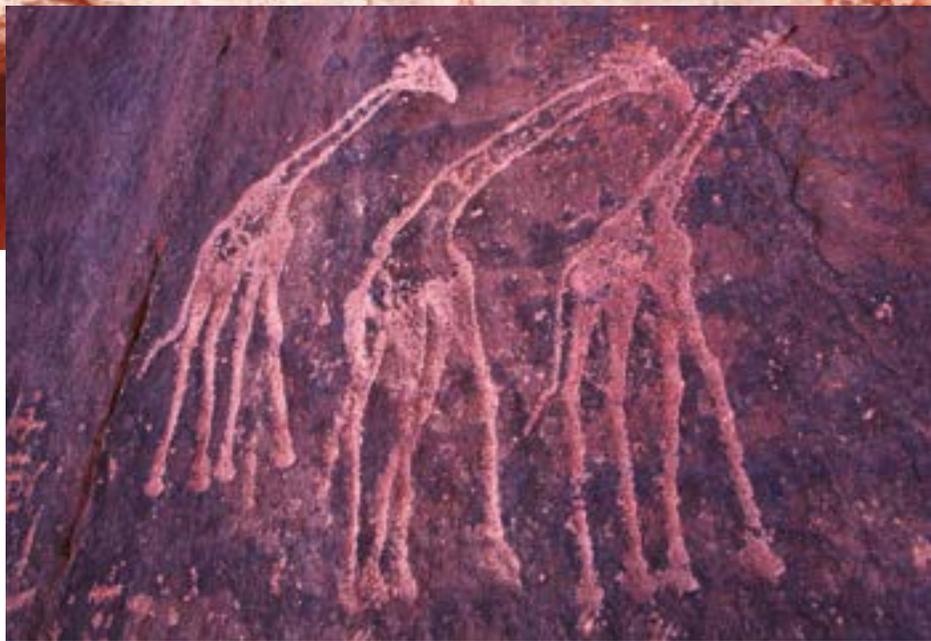
These model habitats have had a major influence on Arabian architecture and urban planning for nearly a millennium, and have even been recognized by 20th century architectural masters such as Le Corbusier, Fernand Pouillon and André Raverau.

Innovations such as the ingenious system for the capture and distribution of water and the creation of palm groves in the middle of the desert were indications of the local peoples' deep understanding of and respect for their local desert environs.

Tassili n'Ajjer

Tassili n'Ajjer, designated a World Heritage Site in 1982, is located in southeastern Algeria along a vast plateau bordering Libya, Niger and Mali. Covering an area of 72,000 sq km, the site boasts one of the most important groupings of prehistoric cave art in the world.

The more than 15,000 drawings and engravings recount the local history through themes such as changes in climate, flora and



Several examples of cave art seen at Tassili n'Ajjer.

fauna, animal migration, farming and pastoral life and the evolution of human life on the edge of the Sahara desert from 6000 BCE to the first centuries of the present era. Geological formations at the site were developed over time through eroded sandstone forming so-called 'forests of rock', giving the appearance of what has been described as an exotic lunar landscape.

Tassili has become world famous since being discovered in 1933 and has gained further prominence through its World Heritage Site status.

Timgad

Receiving its designation by UNESCO in 1982, Timgad is another former ancient Roman colony located on the northern slopes of Algeria's pristine Aurès mountain range, 480 km south-east of Algiers and 110 km south of Constantine.

Established as a military colony by the Emperor Trajan in 100 CE, Timgad, like its not too distant neighbour Djémila, is a perfect example of a prototypical Roman-designed town with its square forum and its orthogonal design based on the *cardo* and *decumanus* layout with two perpendicular routes spanning the city. The city's systematic grid layout was a common feature of Roman urban planning schemes.

Timgad's original Roman name was Colonia Marciana Traiana Thamugadi, and it was alleged to be an encampment for the 3rd Augustan Legion, which was later located at Lambaesis, another Roman settlement not far from Timgad.

By the middle of the 2nd century, the city had grown to such an extent that it expanded beyond its ramparts with the construction of additional public buildings, including temples, markets, baths

and large private residences. The majority of these structures date from the Severan period when the city experienced its Golden Age.

Like Djémila, Timgad also experienced a Christian period during which it was a renowned diocese at around the end of the 4th century. In 430, the settlement was invaded by the Vandals and later destroyed at the end of the 5th century by tribes from the Aurès mountains.

Timgad was subsequently conquered and occupied by other powers, including the Byzantines and the Arabs, the latter of which brought about the final destruction of the settlement. In the wake of this tragic event, Timgad ceased to be inhabited after the 8th century.

Tipasa

Designated a World Heritage Site in 1982 and located 70 km west of Algiers on the shores of the Mediterranean Sea, Tipasa comprises three sites, two of which are archaeological parks and the

Timgad, a former Roman colony in the Aurès Mountains of Algeria.



*Tomb of Juba II and Cleopatra Selene II
at the Tipasa World Heritage Site.*

other being the Royal Mauritanian Mausoleum, located on the western Sahel plateau of Algiers located around 11 km to the south-east of Tipasa.

The archaeological sites of Tipasa provide a unique study of the relationships between the local indigenous civilizations and the different waves of colonization from the 6th century BCE to the 6th century CE. Ruins from the Phoenician, Punic, Roman, Palaeochristian and Byzantine periods can be found at the site.

Additionally, this coastal city was a significant Carthaginian trading center and maritime port of call. It is also known to have some of the oldest necropolises, which date back to the period from the 6th to the 2nd century BCE. These ancient relics are a testament to the varied types of burial and funerary practices carried out by the diverse groups of indigenous cultures of that time living in the region.

The Royal Mauritanian Mausoleum, a circular funerary



structure, purveys a unique architectural design with a stepped, multileveled roof covering, clearly an influence of Hellenistic and Pharaonic architecture.

The Romans saw Tipasa, in the context of its worldwide expansion, as a strategic base for the conquest of the kingdoms of

*Vestiges of a
church in Tipasa.*





The Kasbah, the historic district of the city of Algiers.

Mauritania. In the 3rd and 4th centuries CE, a Christian period flourished with an increase of structures devoted to religious activities. These buildings were decorated with extravagant mosaic pavements, illustrating ornate geometric patterns and depicting scenes from daily life.

The Vandals invaded the town during the 430s, and it was reconquered by the Byzantines in 531, eventually descending into decline from the 6th century onwards.

Kasbah of Algiers

The newest and perhaps most highly visited of Algeria's World Heritage Sites is the mythical and spellbinding Kasbah of Algiers, which was inscribed onto the World Heritage Site list in 1992.

The Kasbah has retained its ancient character and remains today an accurate and living example of a historic city of the Maghreb. Its layout and architecture have made their mark on urban planning, not only throughout the Maghreb, but in the Mediterranean and in sub-Saharan Africa as well.

Located in Algeria's capital city overlooking the Mediterranean Sea, the site was inhabited as far back as the 6th century BCE when a Phoenician trading hub was founded there. During the Zirid era,

the word *kasbah* signified the highest location of the city, but later on, the term described the old town of El Djazair, which was confined within ramparts and was established at the end of the 16th century during the Ottoman era.

Today, nearly 50,000 people reside in the hilly, labyrinthine, bustling streets of El Djazair with its preserved landmark sites, including residences, palaces, a citadel, mosques and various *souks* or markets, which are all a living testimony to the city's ancient history, rich culture and enduring heritage.

In January of 2018, 200 local and international officials and experts convened in Algiers for a conference to discuss ongoing efforts to enhance the Kasbah site.

A variety of international conservation and revitalization approaches were presented and challenges specific to the Kasbah were discussed involving such issues as socioeconomic revitalization, the involvement of residents, land tenure, legal frameworks, conservation and urban integration.

These and other initiatives are proof that the venerable site continues to be highly respected and held dearly, not only by Algerians, but by the wider international community. 

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UNESCO: 73 years of promoting peace and cooperation

The United Nations Educational, Scientific and Cultural Organization (UNESCO) was born during a time of war and strife, but has since been a driving force for the opposite — promoting peace and cooperation across the world for nearly 73 years now.

In 1942, government officials of the European countries that were battling Nazi Germany met in the United Kingdom to discuss vital issues related to education. At the event, called the Conference of Allied Ministers of Education (CAME), high-level educational officials discussed plans to reconstruct their educational institutions once peace would once again be restored to the world.

The initiative gained momentum, and support for it began to increase internationally as other nations joined the efforts, including the United States.

Then, in November of 1945, the United Nations Conference for the Establishment of an Educational and Cultural Organization was convened in London, at which governmental representatives from 44 countries agreed to establish an organization that would not only promote a culture of peace but also foster the “intellectual and moral solidarity of mankind” as a means to help avoid the onset of another world war.

By the end of the conference, 37 countries founded the United Nations Educational, Scientific and Cultural Organization, and its constitution was adopted on November 16, 1945, coming into force on November 4, 1946, after ratification by 20 countries.

A key quote from the founding document was: “Since wars begin in the minds of men and women, it is in the minds of men and women that the defences of peace must be constructed.”

The first-ever General Conference of UNESCO was held in Paris from November 19 to December 10, 1946, with 30 governments attending and voting on various issues.

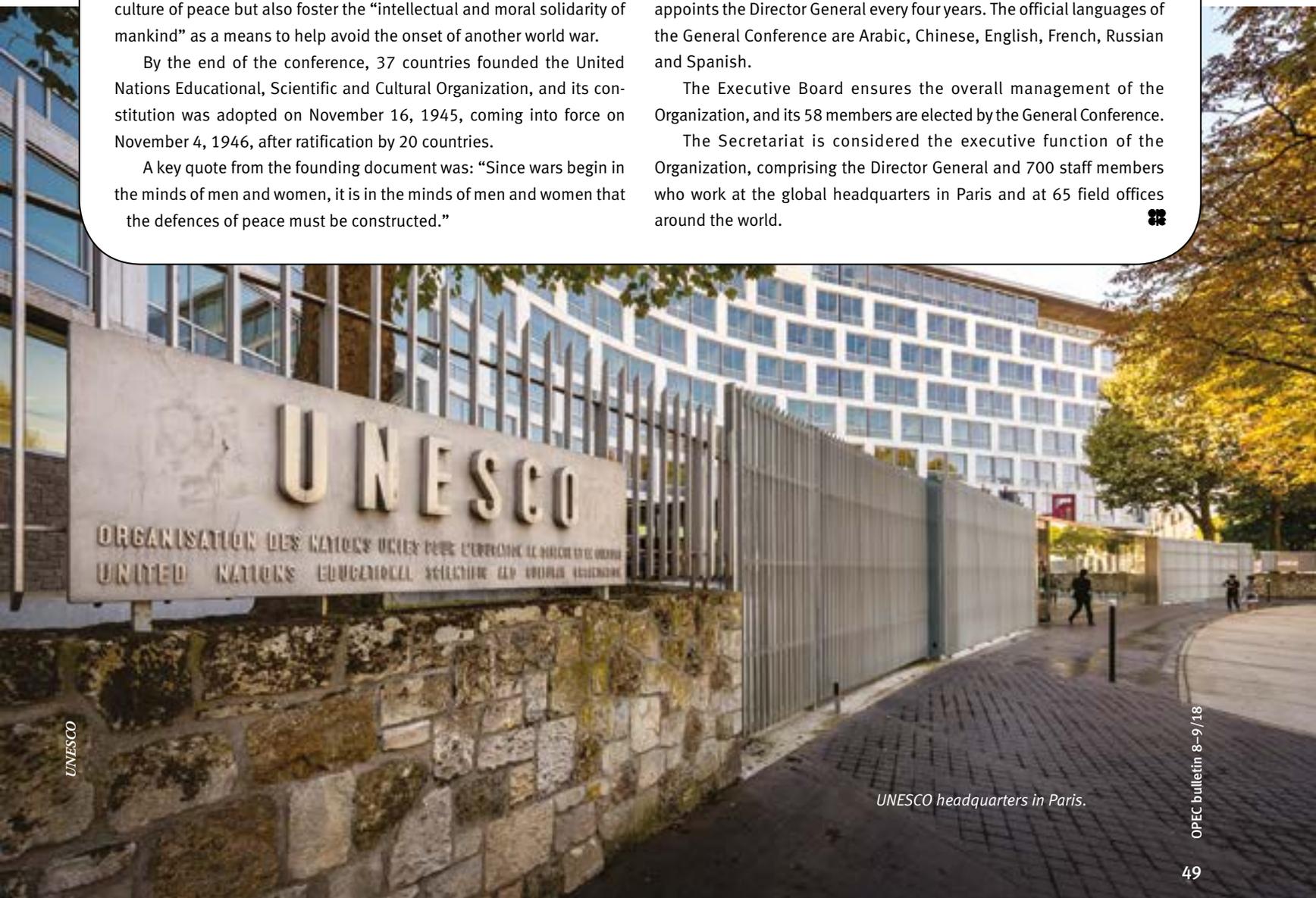
Before UNESCO was established, there were two main organizations dealing with international issues related to education and culture. The first was The International Committee of Intellectual Cooperation, which was founded in Geneva and was operational from 1922–46. The International Institute of Intellectual Cooperation, its executing agency, was active from 1925–46 and was founded and based in Paris.

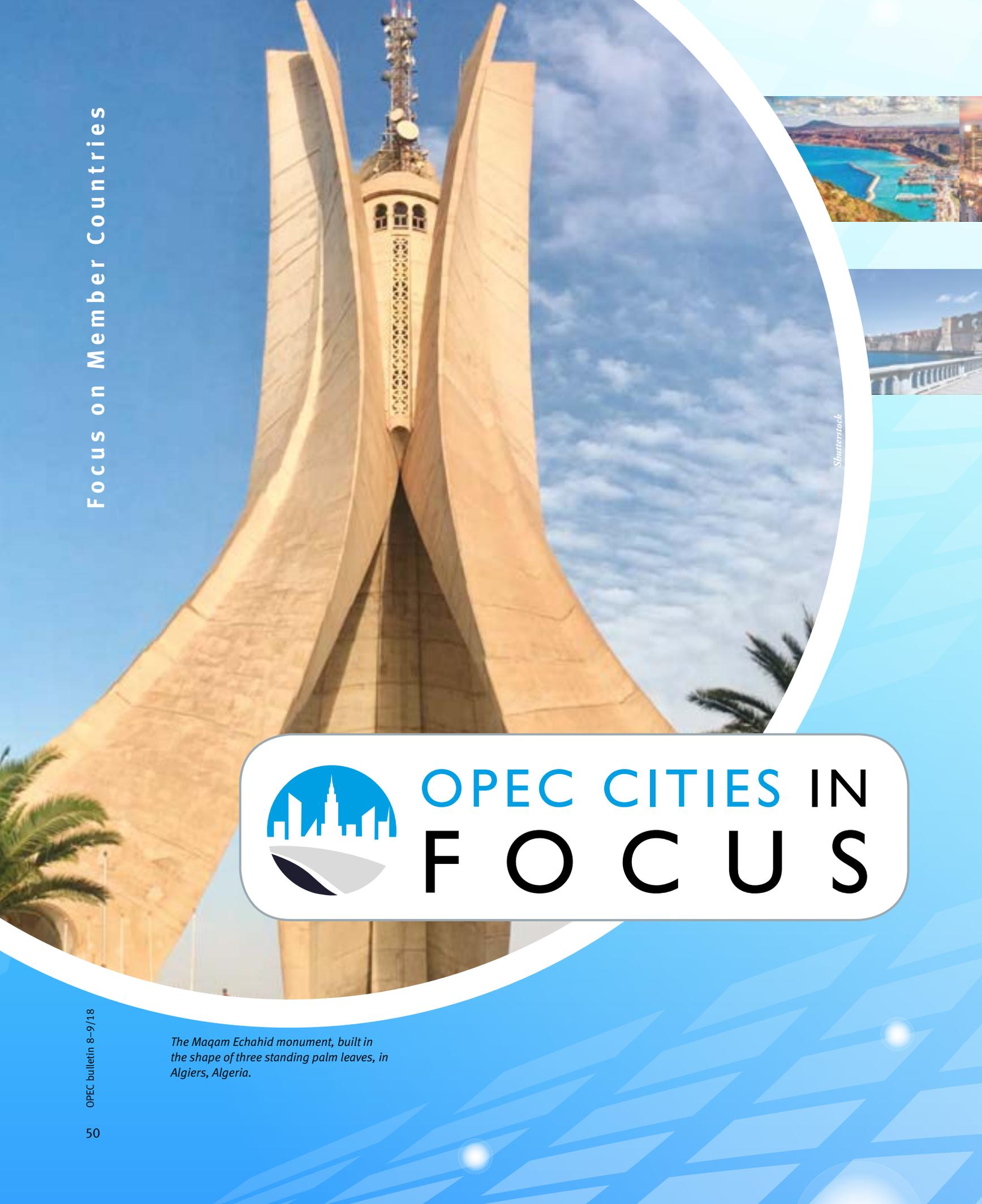
The second predecessor organization was the International Bureau of Education, which was founded in Geneva in 1925 and was independently operational until 1968. Since then, it has been part of UNESCO’s Secretariat operating with its own statutes.

Today, UNESCO has 195 Member States whose representatives make up the General Conference, which meets every two years to determine policy and approve the Organization’s work programme and related budget. It also elects members of the Executive Board and appoints the Director General every four years. The official languages of the General Conference are Arabic, Chinese, English, French, Russian and Spanish.

The Executive Board ensures the overall management of the Organization, and its 58 members are elected by the General Conference.

The Secretariat is considered the executive function of the Organization, comprising the Director General and 700 staff members who work at the global headquarters in Paris and at 65 field offices around the world.





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OPEC CITIES IN FOCUS

The Maqam Echahid monument, built in the shape of three standing palm leaves, in Algiers, Algeria.



In the April 2017 edition of the *OPEC Bulletin*, we introduced a new series — **OPEC Cities In Focus** — which would endeavour to provide an overview of the major cities in OPEC’s Member Countries and highlight their many attributes.

Though each OPEC Member Country has played a prominent role in the oil and gas sector over the years, and has maintained a steadfast commitment to the Organization’s broader objectives in regards to market stability, they all have much more to offer than just energy resources. Through this series, we hope to spotlight the history and development of their principal cities.

Our motivation is to highlight some of the other features of our Member Countries apart from oil and gas. And our desire is to offer readers a window into the rich urban life in our Member Countries and their cultural diversity.

Algiers

a capital of elegance and history



*A unique blend of beauty and elegance prevails in the city of Algiers. Overlooking the magnificent Mediterranean Sea, Algiers is well-known for its long-standing history and remarkable legacy. It is also known for its deep, rich historical roots, and the myths and legends that it has accumulated over the years. In this, the 11th instalment of OPEC Cities in Focus, the OPEC Bulletin's **Ayman Almusallam** visits Algiers — Algeria's charming capital and one of the most valuable 'jewels in the Maghreb'.*



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OPEC Bulletin 8-9/18

With a population of more than 2.6 million on an area of 363 sq km, Algiers is the vibrant capital of the Republic of Algeria. It is also the country's largest city and the seat of the government.

The history of Algiers is believed to date back to the era of the Phoenicians, when they established an outpost known as Icosium. This later developed into a small Roman town.

Years later, around the year 944 CE, Bolghine ibn Ziri, who founded the Berber Zirid-Sanhaja dynasty, established the contemporary city of Algiers. However, in 1014, the rival dynasty of the Hammadids then gained control of the city and its surrounding area.

In subsequent years, several other dynasties reigned over Algiers — such as the Ziyonids and the Almohads.

In 1516, the Ottomans

Why 'Algiers'?

The etymology of the city's name is derived from the Arabic language. Literally, 'Algiers' translates into 'the islands'. It is believed that the name refers to the four islands that were originally located opposite of the city's coastline — until they became part of the mainland in 1525.

successfully ousted the Spanish ruling regime and took control of Algiers, following the battle of the 'Capture of Algiers'. Soon, Emperor Suleiman the Magnificent was invited to a celebratory ceremony, where he declared Algiers an official territory of the Ottoman Empire.

During that era, the city of Algiers was fortified to protect its inhabitants and its assets, including the sea-front. It was good that they did so, as later, the King of Spain and the Holy Roman Emperor Charles V attempted to invade Algiers in 1541. But the campaign soon



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encountered failure, as a large number of their ships were destroyed by storms.

Fast forward to 1830, when Algiers then became a French colony. This lasted until 1962, when Algeria gained independence from France to become a sovereign and autonomous nation.

Currently, Algiers remains the capital city of the Republic of Algeria, serving as the nation's key administrative centre and its most treasured urban centre.

Geography and climate

Algiers is located on the western side of the Mediterranean Sea, which has a significant impact on its geography and climate. Crowned by a historical citadel, the old part of the city is situated on a steep hill, while the modern areas were developed on ground level next to the seashore.

Algiers enjoys a typical Mediterranean climate, where the sea helps in moderating its temperature. From October to April, Algiers experiences some rainfalls, while snowfalls are rather rare. Nevertheless, in 2012, the Algerian capital witnessed the heaviest snowfall in years, when snow accumulated across the city, reaching a height of 10 centimetres.

Economy

As a capital city, as well as a key financial and administrative centre, Algiers plays a vital role in propelling the national economy of Algeria. The city counts with an active and vigorous stock exchange which has an impressive capitalisation of €60 million.

The Algerian capital is also an exceptional tourism destination, regularly visited by a large number of people from around the country, as well as international visitors. The city offers its tourists remarkable seaside resorts and



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various city hotels, in addition to the first water park in the country.

To meet the rising demand of the tourism sector, several tourist complexes were recently developed. These complexes feature all the necessary facilities and amenities needed by tourists, and are even equipped with beaches, restaurants and souvenir shops.

As transportation is an important element of any dynamic economy, the relevant authorities in Algiers paid close attention to developments in transportation. Currently the various parts of the city are well-connected through an extensive network of busses, trams, metros and trains.

Algiers is also the home of Houari Boumediene Airport, which is located 20 km from the city and serves as the main hub for air transportation in the region. In 2006, the airport was expanded to accommodate a new international air terminal.

The city completes its already impressive transportation portfolio with four advanced cableways, which are used daily by tourists and locals alike.

Inside courtyard of a traditional house in the old town of the Kasbah.



An aerial view of the sports 'Complex of OCO – Mohamed Boudiaf'.

Sport

Sport is another key aspect in Algiers and plays an important part in the lives of many Algerians. A number of professional clubs practising various sports are located in the city, and several sport facilities have been developed to serve Algerian sports aficionados. For example, the mega sports complex 'Complex of OCO – Mohamed Boudiaf' is one of the city's most exceptional facilities, as it is equipped with a huge stadium that can accommodate

80,000 spectators, as well as tennis courts, swimming pools and a golf facility.

Throughout the city's long history, several key sports events were held in the Algerian capital, including the Mediterranean Games in 1975, the African Handball Nations Championship in 1989 and 2001, the African Cup of Nations in 1990, the Pan Arab Games in 2004 and the All-Africa Games in 1978 and 2007.

Fresh dates on sale at the historic Ottoman market bazaar, beside the Ketchoua mosque bazaar in Algiers.



A city worth celebrating

With historical and architectural riches, and a history that spans centuries, the city of Algiers offers features that make it stand out in the region. It has provided the world with sports stars, poets and writers, and businessmen and political leaders for decades. But as the capital of one of OPEC's Member Countries, Algiers has also done something more: by serving as the host of the meeting that gave rise to the 'Algiers Accord', it has directly contributed to the process that eventually culminated in the 'Declaration of Cooperation'. This alone warrants its celebration in these pages.



Algiers in contemporary art

The city's unique blend of history and elegance has made Algiers a rich inspiration for producers of contemporary literature and the visual arts for many years. The famed writer and philosopher, Albert Camus, author of *The Stranger* (1942), *The Plague* (1947), and *The Fall* (1956), among others, was born in what is now known as Dréan. But other creative types from other countries have also sought inspiration in Algiers.

For instance, John Cromwell, an American film director, directed and produced his 1938 movie 'Algiers', which presents the story of a French jewel thief living in the hustling and bustling city of Algiers.

In 1994, the Algerian drama film, 'Bab El-Oued City', was screened at the Cannes Film Festival. Directed by Merzak Allouache, a director and screenwriter born in Algiers, the film won the award of the International Federation of Film Critics.

'The Battle of Algiers' (1966) was another international film which portrayed the situation and events the city experienced during the colonisation era and the early struggle for independence. The film was directed by Gillo Pontecorvo, an Italian film director.

It is clear that the city of Algiers has inspired artists and writers for decades.

It has also undergone a very long history, of which some parts have been unusual and difficult.

However, the city's capable, committed and distinguished leaders have always risen to the challenge, and have met the expectations of their people and fulfilled their responsibilities as stewards of this beautiful city.

Continuing on this path, the city of Algiers is set to remain the nation's most valuable jewel in the years and decades ahead.



The lighthouse in the port of Algiers.



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The cathedral of Notre Dame d'Afrique in Algiers, was inaugurated in 1872.

History and modernity

Key attractions in Algiers

*For many decades, the city of Algiers has been the home of a number of unique attractions, each showcasing the city's extensive legacy and rich, diverse culture. Whether one is there on business or merely as a leisure traveller, the Algerian capital generously offers a taste of its irresistible charms. The OPEC Bulletin's **Ayman Almusallam** provides this brief round-up of some of the city's key attractions, taking us on a short trip to explore the historic city.*

Djamaâ el Kebir

Located near the city's harbour, the Great Mosque of Algiers — Djamaâ el Kebir — is one of Algiers's most important mosques. An inscription found at its pulpit indicates that the mosque was erected in 1097. It is, therefore, believed to be Algiers' oldest mosque.

The mosque was constructed during the regime of Sultan Ali ibn Yusuf, the 5th monarch of the Almoravid dynasty. Thus, the impressive Almoravid architecture

style is evident in the mosque's exquisite design. This unique style embraces a fine fusion of Moroccan and Andalusian architectural qualities. Inlaying is also one of its key techniques.

The mosque's minaret dates back to 1332 and was built during the reign of the Ziyyanid, the rulers of Tlemcen Kingdom. In 1840, a gallery was built at the mosque entrance.



Djamaâ el Kebir

Djamaâ el Kebir, one of Algeria's most important mosques.

habrib kabir, Wikimedia Commons

Notre-Dame d’Afrique

Notre-Dame d’Afrique (Our Lady of Africa) is a Roman Catholic basilica situated in the central part of Algiers. It is also known as Madame l’Afrique or Lalla Meriem.

Construction of the basilica began in 1858 and lasted for 14 years. Jean-Eugène Fromageau, the appointed chief architect for all ecclesiastical buildings in Algeria during French colonisation, was commissioned to oversee the basilica’s construction. He followed a neo-byzantine style. The basilica was finally inaugurated in 1872.

In 2003, the Boumerdès earthquake significantly damaged parts of the basilica. A restoration project began in 2007, at a cost of more than €5 million. The reconstruction required three years to complete.

Martyrs’ Memorial

Unveiled in 1982, the Martyrs’ Memorial — locally known as Maqam Echahid — is an iconic monument made of concrete that celebrates the nation’s heroes and martyrs whose lost their lives during Algeria’s war

of independence between 1954 and 1962.

The memorial is located on high areas of the city. Its design is in the shape of three large palm leaves. The base of each leave is decorated with a soldier, each representing one stage in Algeria’s long struggle against oppressors. It is believed that the memorial was built on the site of an ancient army fort.

The landmark monument was inaugurated on the occasion of the 20th anniversary of the independence war in 1982.



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The Martyrs’ Memorial.

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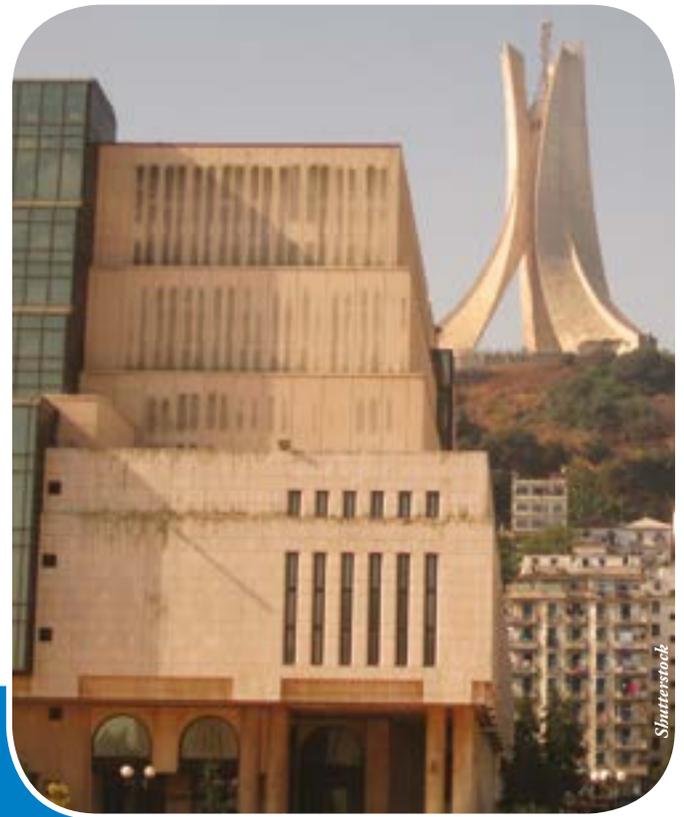
National Library of Algeria

Covering a land area of 67,000 sq m, the National Library of Algeria is a key attraction to local and international tourists. It accommodates around one million volumes.

The library was constructed in the 1960s, following the Algerian war of independence. It is currently administered by two state bodies: the Centre for Technical and Scientific Information and Technology Transfer, and the National Social and Economic Documentation Centre. The latter organization was established in 1971 and is in charge of collecting statistical data.

In the 1990s, a new building was constructed to house the library, enabling it to further develop its services to the public in a more comfortable and modern fashion.

The National Library with a view of the Martyrs' Memorial.



The Ketchaoua mosque in Kasbah, Algiers.



Ketchaoua Mosque

Ketchaoua Mosque is another landmark situated in the capital city of Algeria. The mosque was constructed in the 17th century during the reign of the Ottomans. It is currently located at the foot of the Kasbah area — one of Algeria’s UNESCO World Heritage Sites — in the northern part of the city. During French colonisation, the mosque was converted into a cathedral. In 1962, the building was reconverted into a mosque.

Ketchaoua Mosque is well-known for its unique, intricate exterior design, which illustrates an exquisite mix of the Moorish and Byzantine architectural schools.

Palais des Rais

The Palais des Rais — which is more commonly known as Bastion 23 — is classified as a key historical attraction in

Algiers. Built in 1576, the building was commissioned by Ramdhan Pasha, the Dey or local ruler of the Regency of Algiers under the Ottomans. He sought the construction of three palaces and six houses to enhance the city’s defences and maintain the security of that particular area of the city.

In 1909, the elegant monument was recognised as a historical landmark and classified as part of the city’s historical ‘Moorish Houses’. The entire area where the Palais is located underwent an extensive reconstruction during the era of French rule, which resulted in separating the monument from its original environment.

In addition to its remarkable architecture, the Palace is well-known for being the last remaining quarter of Algiers’s original lower Kasbah.

A view of the inner courtyard of the Palais des Rais.



Enhancing dialogue

Social media and OPEC's global role

*The social media 'revolution' has affected and impacted nearly all spheres of life around the world. From commerce to politics, the tools for social media engagement have been increasingly used to inform the public, to mobilize constituents and to engage in deliberations. In order to adapt to a rapidly evolving way of information dissemination, the OPEC Secretariat last year launched its own social media channels — on Facebook and Twitter — in order to better interact and engage with a wider audience. On the 2nd Anniversary of the historic 'Algiers Accord' of 2016, which culminated with the 'Declaration of Cooperation' in December of that year, the OPEC Bulletin's **Suraj S Matori** examines the role played by this dynamic new online platform in fostering 'cooperation through dialogue'.*

A global phenomenon

At the early stages of the 21st century, new media platforms by which we interact as a society have begun to rapidly evolve through mobile technology. Social media today has grown to become an integral part of effective communication, thereby changing the entire approach of organizations, corporations and individuals in their way of interacting and sharing information. And in fields as diverse as hydrocarbons exploration, energy data analysis, medical care, transportation and numerous other services, processes and procedures have been revolutionized — as have been the means by which data and information are consumed.

Several platforms — well-known ones such as Facebook, Twitter, WhatsApp and Instagram — and others that are emerging have significantly transformed the process through how information is disseminated. With a global audience of over 3 billion people who are actively engaged in these platforms, social media has become a

tool of choice for individuals, organizations, public officials and businesses around the world. Almost every aspect of daily life today has been affected by this new technology. Social media has even transcended age, geography and distance, thereby eliminating a huge divide in the way people share information. It has indeed made the world a true 'global village'. This is no less the case in the oil industry and in the international realm in which OPEC plays such an important role.

Wider audiences

OPEC has always been an organization that has prided itself in finding effective solutions through dialogue among its Member Countries, as well as with non-OPEC oil producers. The integration of Facebook and Twitter as part of OPEC's broader information and communication strategy last year has greatly increased the Organization's

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“OPEC Members are committed to continue working together with other non-OPEC producers to balance demand and supply.”

— A ‘Tweet’ sent by Suhail Mohamed Al Mazrouei, Minister of Energy and Industry of the United Arab Emirates, from Algeria on September 16, 2016.

ability to interact and the scope in which it can engage with a larger audience worldwide.

The landmark ‘Algiers Accord’ in 2016 demonstrated just how important dialogue and engagement was among the various stakeholders. Buttressed by social media tools, the consultative efforts at the time brought about much needed stability to the oil industry. In fact, several OPEC Member Countries had their respective energy and oil ministers informing and engaging the public through their own Twitter accounts. Their activities continue today, and they often comment on such things as their expectations and outcomes of deliberations before and after ministerial meetings, as well as on daily news events, market data and other events.

All this has marked a new beginning in the way energy and oil officials inform their audiences and their individual constituencies. They not only inform those who follow them about what decisions are taken, but they are also

able to do so in a more personal and direct way.

One such example is that of Dr Emmanuel Ibe Kachikwu, Minister of State for Petroleum Resources of Nigeria, who via his active Twitter account

has ‘tweeted’ statements and offered commentary on various developments in the markets and in the activity of the Organization. After one recent meeting, he tweeted: “After a productive Joint Ministerial Monitoring Committee, it was quite an honour celebrating the gains of the ‘Declaration of Cooperation’ between OPEC and non-OPEC.” This is one of innumerable examples that demonstrate just how social media has become a

convenient and reliable tool through which updates can be transmitted to the public.

A collaborative tool

Due to the global nature of the oil and gas industry, there is a growing demand for officials and industry leaders to have the ability to communicate and collaborate from nearly anywhere, at any time, using any device for real-time information and knowledge sharing. Social media tools such as Facebook and Twitter thus offer an ideal platform through which this demand can be met.

With public officials like the ministers of OPEC Member Countries making increasing use of these platforms to engage with each other and with the public in a more personalized way, social media has thus become an effective portal through which industry professionals can achieve their common objectives.

The ‘Declaration of Cooperation’ of December 2016 between OPEC and non-OPEC oil producers greatly impacted the conduct of future dialogues and expectations in the oil and gas industry. It established a benchmark of how deliberations should be carried out so as to reach positive and favourable outcomes. But it was technological innovations such as the enhanced use of social media that made the process leading up to the Declaration — beginning with the ‘Algiers Accord’, whose two-year anniversary we celebrate in this *Special Edition* of the *OPEC Bulletin* — so successful. It also demonstrated that it was increasingly fruitful for officials to interact and engage with a wider audience through these very social media platforms.

A medium for public dialogue

As social media has continued to expand, policymakers, journalists, researchers and international organizations are increasingly considering what the proper role of platforms such as Facebook and Twitter should be in informing public dialogue and discussions. Using social media to gain insights about public views and hosting dialogue efforts offer the potential for involving a much larger number of participants. But it also allows for the receipt of timely feedback and commentary from the

public itself. It thus enables ongoing participation from individuals over time — and even raises the possibility of engaging in modest consultations with the public and other stakeholders by drawing upon conversations that are already taking place online.

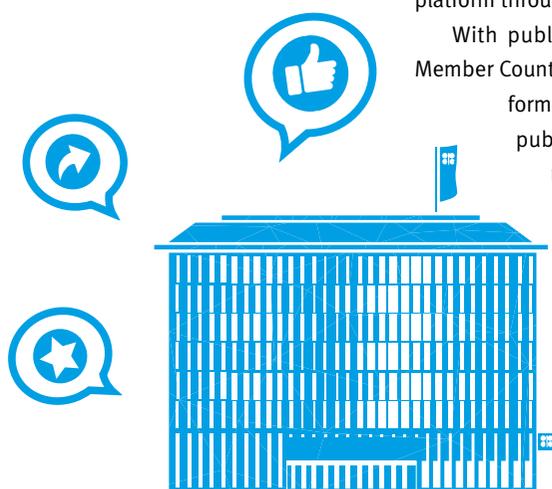
With the growing engagement of journalists, analysts and other stakeholders in the oil and gas industry, and with the incorporation of innovative online tools, public dialogue has become more effective and timely. Inter-governmental organizations such as OPEC are now effectively utilizing such tools to increasingly share information, inform the public about the outcomes of deliberations and help steer discussions through timely data sharing.

In addition, in OPEC’s case, it has increasingly used social media tools to inform the public about the publication and release of key documents such as *OPEC World Oil Outlook*, the *Monthly Oil Market Report*, the *OPEC Bulletin* and the *Annual Statistical Bulletin*. These have all been announced and shared with the public through social media — thereby expanding the audience of readers.

Needless to say, all this has brought about more transparency and provided insights into the activities of OPEC and the preparation and release of the data it gathers. This is not only of interest and use to journalist and other industry officials; it has also become an effective way to reach millions of other key stakeholders and academics, leading to diverse and critical analyses and to a vigorous engagement with the Organization and its Member Countries. This can only be of benefit to the entire industry.

The ‘Declaration of Cooperation’ has brought much sought stability to the global oil and gas industry. This can certainly be attributed to the landmark ‘Algiers Accord’, which opened the doors and paved the way for that historic decision. However, we should not overlook the importance and critical role played by new technologies and, in particular, social media tools which helped to facilitate the interactions and consultations that paved the way forward.

Social media tools are a critical part of how public dialogue and discussions are carried out, not only at the national level but increasingly internationally and multilaterally. They are an important tool for public diplomacy and consultation, and play an ever increasing role in influencing the outcomes of important deliberations and agreements. As OPEC and other international organizations have shown, they should, without a doubt, be part of any leader’s toolkit today.



Follow the OPEC Secretariat on Social Media



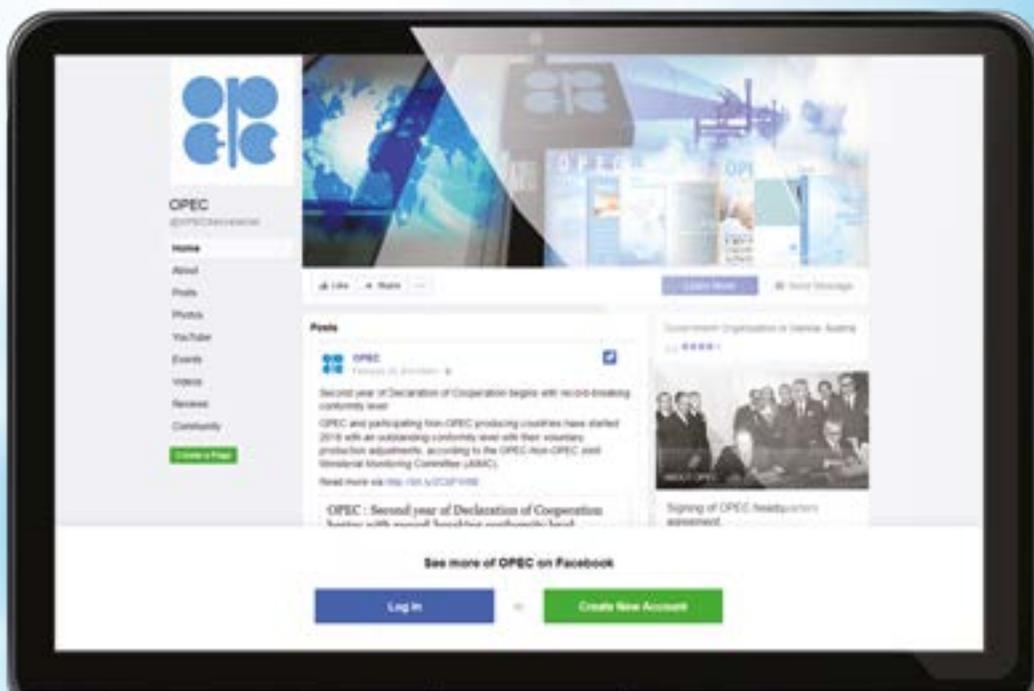
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Algeria signs gas agreements with Spain and Italy

Following its attempts to negotiate new agreements with European partners, Sonatrach — Algeria’s national oil company — signed new partnership deals to provide Spain and Italy with gas.

Sonatrach’s Chief Executive Officer, Abdelmoumen Ould Kaddour, said, the newly-ratified contracts delineates the Republic of Algeria to supply Spain with nine billion cubic metres of gas every year for the next nine years, and to supply Italy’s oil giant Eni with 3bn cu m annually.

According to Reuters, Algeria is keen on building solid reserves overseas through propelling domestic production.

As part of its robust efforts to establish new and reliable partnerships, it was also reported that Sonatrach is currently discussing a new agreement with the oil major Shell to found joint ventures in the African nation.

While the OPEC Member is a producer and net exporter of crude oil, Algeria is also one of the key producers and exporters of natural gas. It also a Founding Member of the Gas Exporting Countries Forum (GECF) headquartered in Doha, Qatar.

In 2017, Algeria produced 94.78 billion standard cubic metres of natural gas, according to OPEC’s most recent *Annual Statistical Bulletin*. 



Sonatrach joins the World Bank’s zero-flaring initiative

Algeria’s state-owned oil and gas giant — Sonatrach — joined the ‘Zero Routine Flaring By 2030’ initiative to alleviate the systematic gas flaring by the year 2030. The initiative, which is endorsed and promoted by the World Bank, was launched in 2015.

The World Bank lauded the steps taken by Algeria’s National Oil Company. They added that they were pleased to have an important and active producer on board, particularly one like Sonatrach, which has been “working to identify and implement solutions to reduce gas flaring since 1976.”

According to the World Bank, gas flaring produces over 300 million tons of CO₂ emissions on annual basis.

The World Bank has invited other governments, energy firms and development institutions to take part in the critical initiative, encouraging them to develop the necessary infrastructure and provide the necessary investments to conserve the gas generated during the production of oil.

The ‘Zero Routine Flaring By 2030’ initiative has so far gathered around 35 oil and gas producing firms, including some African national oil companies. Since its launch, 27 governments and 15 institutions have also joined the initiative. 



Shutterstock

Sonatrach AVAL head office building in Oran, Algeria. The building was built to resemble an oil barrel.

Angola to establish a state agency to handle oil blocks



The President of the Republic of Angola, João Manuel Gonçalves Lourenço (*pictured right*), announced his country's plans to establish a new governmental body to oversee the sales of oil blocks in the African country.

As part of the reforms undertaken in the Angolan oil sector to boost oil production, Lourenço commended the creation of the National Agency of Petroleum and Gas aiming to bring the vital industry into balance. The agency will be also mandated to handle oil concessions.

Angola's Ministry of Mineral Resources and Petroleum said, the new governmental body will be launched in the beginning of next year, taking over some of the responsibilities of Sonangol, Angola's national oil company. The agency is expected to become fully operational by December 2020.

The Ministry added that the suggested model will provide Sonangol with the opportunity to concentrate on its core activities.

According to Reuters, the establishment of the agency is part of a series of actions undertaken by the OPEC Member Country to improve the performance of its oil sector, including the introduction of new laws for gas rights and tax breaks for developing marginal fields. ❄



Iraq and Chevron cooperate in developing oil fields



Following the endorsement of a Memorandum of Understanding between Basrah Oil Company, an Iraqi state-owned oil company, and Chevron, the two oil firms agreed to begin cooperating in developing oil fields in the southern region of the country and establishing a new energy firm.

In a statement published by the Ministry, the Director General of Basrah Oil Company, Ihsan Abdul-Jabbar, lauded the agreement reached between the two firms and the potential benefits that such a partnership can yield. He also emphasised that the implementation of the agreement would be carried out based on planned actions.

Abdul-Jabbar added that the initial step will focus on conducting studies on the fields while considering the advancement of new technology. He also indicated that at a later stage a new company will be established to

govern the various processes of the new fields, including field development and extraction operations.

Majid Hadi, a representative of the oil major Chevron, said, the oil major is set to work and cooperate with Iraq's Ministry of Oil in several fields and roles, such as training and studies.

According to Reuters, Jabbar Ali Hussein Al-luiebi, Iraq's Minister of Oil, announced in June that Basrah Oil Company and Chevron had finalised the agreement. ❄



OPEC's *World Oil Outlook 2018*

OPEC's *World Oil Outlook (WOO)* has long been a part of the Organization's commitment to market stability. The publication is a means to highlight and further the understanding of the many possible future challenges and opportunities that lie ahead for the oil industry. It is also an important way to channel and encourage dialogue, cooperation and transparency between OPEC and other oil industry stakeholders.

First published in 2007, the WOO is one of OPEC's flagship annual publications, providing expert analysis of the many challenges and opportunities facing the global oil industry.

This year's WOO will be presented at a press conference to be held at the El Aurassi Hotel in Algiers, Algeria, on Sunday, September 23, 2018, at 3:15 pm (Algiers time). This is the second time the OPEC Secretariat has unveiled the publication outside of the OPEC Secretariat in Vienna, following the launch of the 2016 edition at ADIPEC in the United Arab Emirates in November 2016.

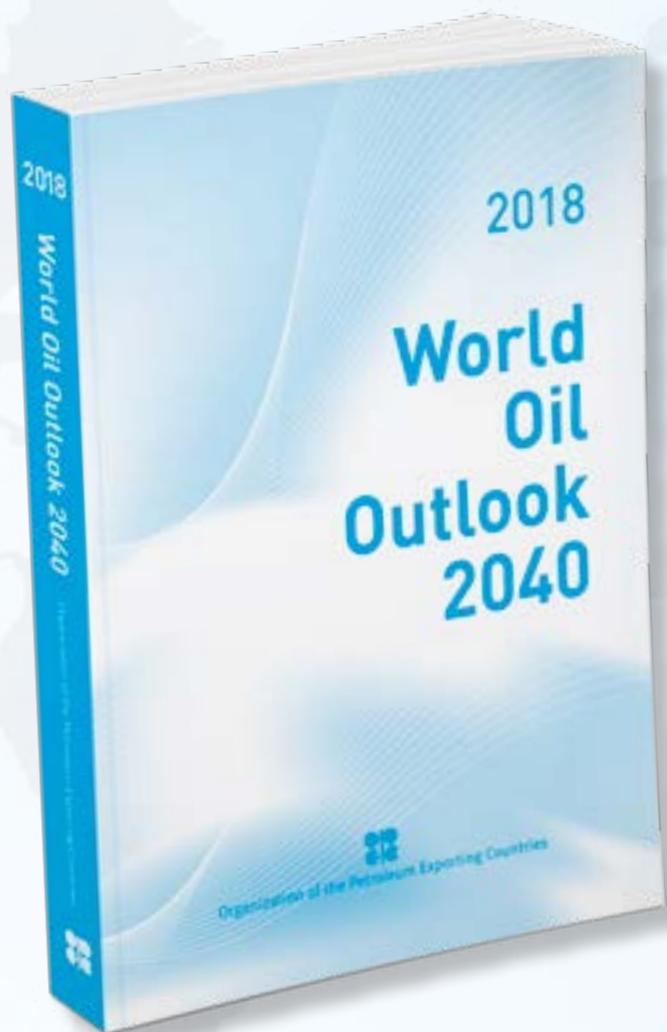
The launch will coincide with the 10th Meeting of the Joint Ministerial Monitoring Committee (JMMC) in Algiers, and form part of the celebrations of the 2nd Anniversary of the seminal Algiers meeting, the 170th (Extraordinary) Meeting of the OPEC Conference, which took place on September 28, 2016. This meeting was a major landmark on the road to the historic 'Declaration of Cooperation' between OPEC and non-OPEC producers that was put together in Vienna on December 10, 2016.

Algeria's Minister of Energy, Mustapha Guitouni and OPEC's Secretary General, Mohammad Sanusi Barkindo, are expected to provide opening remarks to the WOO launch. The Secretary General and senior members of OPEC management will then present the key messages from the publication, which provides an in-depth review and analysis of the global oil industry, and offers a thorough assessment of various sensitivity cases related to supply and demand trends in the medium- and long-term.

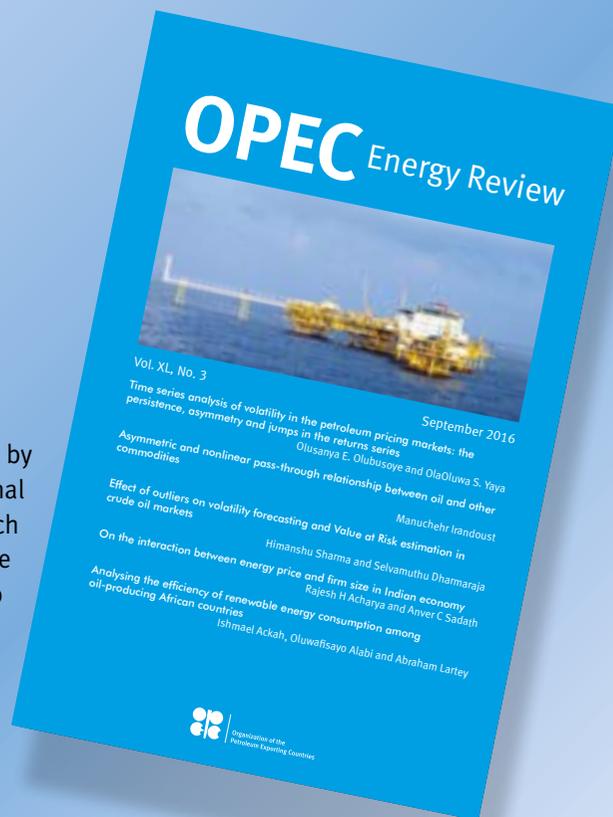
For the first time, a Smart APP for the WOO will be made available, which will give increased access to the publication's vital analysis and energy data. And for the fourth year in a row, a comprehensive interactive version of the WOO will also be made available.

The WOO combines the expertise of the OPEC Secretariat, professionals in OPEC Member Countries and the Organization's Economic Commission Board, as well as input from various other sources.

The WOO continues to be a valuable reference tool. Its content underscores the Organization's commitment to data transparency — a critical element undergirding dialogue and cooperation, both of which are necessary in order to secure a sound and stable oil industry. 



CALL FOR PAPERS



The OPEC Energy Review is a quarterly energy research journal published by the OPEC Secretariat in Vienna. Each issue consists of a selection of original well-researched papers on the global energy industry and related topics, such as sustainable development and the environment. The principal aim of the OPEC Energy Review is to provide an important forum that will contribute to the broadening of awareness of these issues through an exchange of ideas. Its scope is international.

The three main objectives of the publication are to:

1. Offer a top-quality platform for publishing original research on energy issues in general and petroleum related matters in particular.
2. Contribute to the producer-consumer dialogue through informed robust analyses and objectively justified perspectives.
3. Promote the consideration of innovative or academic ideas that may enrich the methodologies and tools used by stakeholders.

Recognizing the diversity of topics related to energy in general and petroleum in particular which might be of interest to the journal's readership, articles will be considered covering relevant economics, policies and laws, supply and demand, modelling, technology and environmental matters.

The OPEC Energy Review welcomes submissions from academics and other energy experts.

Submissions should be made via Scholar One at: <https://mc.manuscriptcentral.com/opec> (registration required).

A PDF of "Author Guidelines" may be downloaded at Wiley's OPEC Energy Review page at:

[http://onlinelibrary.wiley.com/journal/10.1111/\(ISSN\)1753-0237/homepage/ForAuthors.html](http://onlinelibrary.wiley.com/journal/10.1111/(ISSN)1753-0237/homepage/ForAuthors.html)

All correspondence about subscriptions should be sent to John Wiley & Sons, which publishes and distributes the quarterly journal on behalf of OPEC (*see inside back cover*).

OPEC Energy Review
Chairman, Editorial Board: Dr Ayed S Al-Qahtani, Director, OPEC Research Division
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Eliminating neglected tropical diseases: the story so far

In May, OFID signed a \$1 million grant agreement with the World Health Organization (WHO) for an initiative aimed at eliminating neglected tropical diseases (NTDs) in seven African countries. This latest agreement underlines a partnership that began nearly four decades ago when OFID extended a \$2 million grant to WHO in support of its Onchocerciasis Control Programme (OCP) — one of the earliest containment initiatives targeting river blindness. The most recent agreement was signed by WHO Regional Director for Africa, Dr Matshidiso Moeti, and OFID Director-General, Suleiman J Al-Herbish. The *OFID Quarterly's* Deputy Editor, **Anna Ilaria-Mayrhofer** spoke to Dr Moeti about WHO's Expanded Special Project for Elimination of Neglected Tropical Diseases (ESPEN), the challenges of NTD eradication and WHO's relationship with OFID.

WHO has long been involved in NTD eradication efforts, starting with the aforementioned OCP and later the African Programme for Onchocerciasis Control (APOC) — all phases of which receive OFID support. The latest grant is helping fund ESPEN — WHO's Expanded Special Project for Elimination of Neglected Tropical Diseases.

Why neglected?

While rarely fatal, NTDs have devastating consequences on millions of lives — physically, mentally and socially. They can cause permanent disfigurement, disability and unrelenting discomfort; they decrease mobility and render victims unable to work, go to school or harvest crops. And they can impede progress and development and impoverish households.

NTDs are, however, preventable and treatable. But there are many challenges involved, particularly in tackling

diseases deemed 'neglected.' Dr Moeti explains why many members of the global community are unaware of their existence.

"These are diseases primarily found in rural, low-income populations — people hidden away from the day-to-day view of the media — and are largely out from the reach of health services. And there is a lot of stigmatization. We've seen this with leprosy — the person is hidden by their families and communities — there is a lot of shame and neglect.

"This is in contrast with diseases that have garnered much more international attention like HIV and malaria. During malaria outbreaks one sees dramatic coverage of people ill and dying — and malaria can kill someone in a very short space of time. Although HIV/AIDS takes longer to develop, it also affects developed countries and attracts more international attention.

"The world has also seen the dramatic picture of HIV/AIDS in Africa — millions of people, especially

OPEC Fund for International Development (OFID)



Dr Matshidiso Moeti (l), WHO Regional Director for Africa, and OFID Director-General, Suleiman J Al-Herbish.

young people — have been struck down with this very painful, and in its later stages, highly visible illness. For example, in my home country Botswana, cemeteries were filled with people in their late teens and twenties who perished from AIDS — it looked more like the result of war.”

ESPEN – spurring progress in the most under-privileged countries

Launched in 2016, ESPEN is a public-private partnership between the WHO Regional Office for Africa, Member States and NTD partners. It focuses on the disease onchocerciasis, in addition to schistosomiasis (bilharzia), trachoma, lymphatic filariasis and soil-transmitted

helminths. The countries targeted are Cameroon, Central African Republic, Comoros, Democratic Republic of Congo, Eritrea, Republic of Congo and Somalia.

“ESPEN is a great development because strategies are being devised to spur progress in the most under-privileged, underserved and neglected countries,” says Dr Moeti. “This focus has been heightened in this era of the United Nations Sustainable Development Goals (SDGs). This brings not only health benefits to the targeted countries but also helps promote justice and fairness.”

The programme is flexible and adapts to the changing needs and priorities of beneficiary countries.

OCP and APOC

Launched in 1974, **OCP** was a collaboration between WHO, the World Bank, the United Nations Development Programme and the Food and Agriculture Organization. With operations in 11 African countries covering over 1.2 million sq km, OCP protected an estimated 30 million people from blindness over its nearly 30-year lifespan. Initially focusing on vector control through insecticide-spraying over blackfly breeding sites, the programme expanded in 1987 to include mass distribution of donated anti-parasitic drugs.

OCP countries: Benin, Burkina Faso, Côte d’Ivoire, Ghana, Guinea Bissau, Guinea, Mali, Niger, Senegal, Sierra Leone and Togo. Ten out

of these 11 countries were successful in eliminating onchocerciasis as a public health problem.

APOC — the African Programme for Onchocerciasis Control — followed in 1995 and implemented community-directed treatment. APOC targeted other endemic countries and achieved remarkable results: by the end of 2012 more than 100.8 million people were receiving regular treatment. APOC countries: Angola, Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of Congo, Ethiopia, Equatorial Guinea, Gabon, Kenya, Liberia, Malawi, Mozambique, Nigeria, Rwanda, Sudan, Tanzania and Uganda.



Five neglected tropical diseases (NTDs)



Schistosomiasis is caused by a blood fluke that develops in certain species of freshwater snails. The immature parasite is (eventually) free-swimming and enters its host by penetrating the skin; this commonly occurs while people are swimming or bathing in lakes, irrigation canals and other water sources. After penetrating the host's skin, the parasite develops further in the urinary tract or intestinal region (depending on the species). In the long term, schistosomiasis can lead to liver and kidney damage, as well as bladder cancer.



Onchocerciasis (river blindness) is transmitted by a species of blackfly that lives near swift-moving rivers and streams. After maturing in its host, the parasite produces microfilariae that migrate to the subcutaneous region of the skin (forming nodules that cause a severe allergic reaction). The microfilariae also settle in parts of the eye, causing scarring and irreversible blindness if left untreated. Adult worms can live up to 15 years in an infected individual.



Lymphatic filariasis (elephantiasis) is spread by a certain species of mosquito. The transmitted microfilariae damage various regions of the lymphatic system. This results in painful thickening of the skin and severe swelling of the lower regions of the body and sometimes the arms. While the microfilariae can be killed, some of the effects of the disease are permanent.



Trachoma, a leading cause of blindness in the developing world, is an easily-spread bacterial infection predominantly found in regions with poor water and sanitation. The bacteria (chlamydia trachomatis) targets the underside of the eyelid, causing thickening that often turns the eyelashes inward. This leads to scarring and blindness unless corrected surgically.



Soil-transmitted helminths, a collective term for various parasitic worms, is commonly found in areas with poor sanitation. Transmitted via faeces, the microfilariae infect the host by penetrating the skin (such as when the host is walking barefoot) or via ingestion from consuming fruit or vegetables grown in contaminated soil. Hand to mouth transmission is particularly common among children when playing in the dirt. Those affected experience diarrhea or dysentery, impaired absorption of nutrients and malnutrition, leading to impaired growth and development.

ESPEN has four overarching objectives for controlling and eliminating NTDs that are treatable by preventative therapy. The programme is flexible and adapts to the changing needs and priorities of beneficiary countries.

The journey to elimination

Reducing or eliminating NTDs is a massive, multi-faceted undertaking. One highly effective, prevention-driven component is Mass Drug Administration (MDA). This involves the consistent and broad-reaching distribution of drugs, donated by various pharmaceutical companies, and has prevented illness among millions living in endemic countries.

Dr Moeti talks about MDA: "Preventative chemotherapy has been a very successful intervention. What's even more promising is that some of the same medicines can prevent other NTDs. For example, ivermectin, used for treating river blindness, can also treat lymphatic filariasis and soil-transmitted helminths. So the same campaign can address several diseases, which is very cost effective."

She explains how data mapping and tracking are also instrumental to monitor the endemic countries' progress. "ESPEN has established a data portal where countries can send their data at the sub-national, district and local level. This provides a very precise mapping of the disease pattern that can guide us where efforts need to be focused. This data enables us to more strategically focus our efforts and drive a country faster and more efficiently towards their elimination goals.

"We are also linking up with water and sanitation sectors of endemic countries — not only to improve hygiene conditions but also for vector control to reduce breeding sites for some of the causative organisms that are spreading diseases.

"Before a country can be officially declared 'free' of a particular disease, it is required to undergo a documentation process that culminates in a formal declaration — a large milestone. At this point the country can halt MDA

OPEC Fund for International Development (OFID)



and direct the funds to other sectors. So while there's a long road ahead, there is now a high level of ambition and strong dynamics on an international level to achieve this — especially after the London Declaration was made in 2013.

The strength of partnerships

“Partnerships are absolutely vital and enable WHO to carry out its work. We've always had a strong coalition of partners — this includes, of course, OFID. Our relationship with OFID is not just valuable in terms of financial contribution; when other development finance institutions (DFIs), policy-makers, governments — even national leaders — see such a well-established organization as OFID engaging in programmes like ESPEN, it imparts trust and encourages others to join the global effort.”

The path to SDG 3

United Nations Sustainable Development Goal 3 (SDG 3) focuses on ‘Good health and wellbeing.’ One of its targets — SDG 3.3 — calls on the international community to: “By 2030, end the epidemics of AIDS, tuberculosis,

The London Declaration

In January 2012, a coalition of philanthropic organizations, donor countries, governments of NTD endemic countries and pharmaceutical companies signed the London Declaration, committing to control, eliminate or eradicate 10 NTDs by January 2020. Pharmaceutical companies have pledged more than \$17.8 billion in drug donations, providing an unparalleled opportunity to achieve the 2020 NTD goals and fulfill related commitments to progress on NTDs and Universal Health Coverage (UHC) under the UN Sustainable Development Goals (SDGs) and the 2015 G7 Leaders' Declaration.

Source: WHO brochure ESPEN: for an Africa free of NTDs.

malaria and neglected tropical diseases and combat hepatitis, waterborne disease and other communicable diseases.” While NTD-related mortality and morbidity rates are on the decline in some areas — is this target realistic?

Dr Moeti thinks so. “It's an ambitious goal. I strongly believe in being driven by ambition. If you aren't reaching for really high targets and goals you won't succeed. This drives us to be creative, learn lessons, find ways of doing things better. I am optimistic that with this type of determination within the international community, along with solid partnerships and resources — this elimination target can be met.”

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

Visits to the Secretariat



May 18

Students from the University of South Carolina, US.



May 24

Students from Texas A&M University, US.



May 25

Students from the University of Toronto, Canada, who attended Masaryk University's summer programme.



May 30

Students from Colgate University in the US, participants in a study abroad programme in Geneva, Switzerland.



May 30

Officials from the National Development and Reform Commission of the People's Republic of China, Beijing, China.



June 5

Students from the Ellenrieder Gymnasium, Konstanz, Germany.



June 6

Students from the Maria Curie Skodowska University, Lublin, Poland.



July 9

Students from the University of Oregon, Eugene, Oregon, US.



July 12

Students from the Europäische Akademie Bayern, Munich, Germany.



July 26

Officials from Glomacs Training & Consultancy, Dubai, UAE.



August 3

Students from Mendel University in Brno, Czech Republic.



August 6

Students from the University of Surrey, England.



August 8

Officials from the Research Centre of the United Nations and International Organizations (RCUNIO) from Beijing, China.



August 27

Students from the University of Lviv, Ukraine.



29 August

Students from Gymnasium Kaltenkirchen, Germany.

Forthcoming events

International pipeline expo, September 25–27, 2018, Calgary, AB, Canada. Details: dmg :: events, 6th floor, Northcliffe House, 2 Derry Street, London W8 5TT, UK. Tel: +44 20 3615 2873; fax: +44 20 3615 0679; e-mail: conferencemarketing@dmgevents.com; website: <https://internationalpipelineexposition.com>.

Sakhalin oil and gas, September 25–27, 2018, Yuzhno-Sakhalinsk, Russia. Details: Adam Smith Conferences, 6th Floor, 29 Bressenden Place, London SW1E 5DR, UK. Tel: +44 207 017 7444; fax: +44 207 017 7447; e-mail: adamsmithconferences.com; website: www.sakhalin-oil-gas.com.

Getenergy global awards and exhibition, September 26–27, 2018, Amsterdam, The Netherlands. Details: Clarion Events Ltd, Fulham Green, 69–79 Fulham High Street, London SW6 3JW, UK. Tel: +44 (0) 20 7384 7700; e-mail: info@clarionevents.com; website: www.energycouncil.com/event-events/global-exhibition-awards.

Private investor Middle East, September 26–27, 2018, London, UK. Details: Adam Smith Conferences, 6th Floor, 29 Bressenden Place, London SW1E 5DR, UK. Tel: +44 207 017 7444; fax: +44 207 017 7447; e-mail: info@adamsmithconferences.com; website: www.privateinvestormiddleeast.com.

Kazakhstan international oil and gas exhibition and conference, September 26–28, 2018, Almaty, Kazakhstan. Details: ITE Group plc, Oil and Gas Division, 105 Salusbury Road, London NW6 6RG, UK. Tel: +44 207 596 5233; fax: +44 207 596 5106; e-mail: oilgas@ite-exhibitions.com; website: <https://kioge.kz/en>.

7th annual shutdowns, turnarounds and outages, September 30–October 1, 2018, Abu Dhabi, UAE. Details: IQPC Ltd, Anchor House, 15–19 Britten Street, London SW3 3QL, UK. Tel: +44 207 368 9300; fax: +44 207 368 9301; e-mail: enquire@iqpc.co.uk; website: www.iqpc.co.uk.

Future energy Africa, October 1–3, 2018, Cape Town, South Africa. Details: dmg :: events, 6th floor, Northcliffe House, 2 Derry Street, London W8 5TT, UK. Tel: +44 20 3615 2873; fax: +44 20 3615 0679; e-mail: conferencemarketing@dmgevents.com; website: www.futureenergyafrica.com.

Global oil and gas fiscal systems course, October 1–3, 2018, London, UK. Details: CWC Associates Ltd, Regent House, Oyster Wharf, 16–18 Lombard Road, London SW11 3RF, UK. Tel: +44 207 978 000; fax: +44 207 978 0099; e-mail: sshelton@thecwcgroup.com; website: www.cwcfiscalsystems.com.

Bulk liquid storage 2018, October 3–4, 2018, Cartagena, Spain. Details: Active Communications International, 5–13 Great Suffolk Street, 4th Floor, London SE1 0NS, UK. Tel: +44 207 981 98 00; fax: +44 207 593 00 71; e-mail: claire@acieu.net; website: www.wplgroup.com/aci/event/european-bulk-liquid-storage.

5th government oil and gas fiscal summit, October 4–5, 2018, London, UK. Details: CWC Associates Ltd, Regent House, Oyster Wharf, 16–18 Lombard Road, London SW11 3RF, UK. Tel: +44 207 978 000; fax: +44 207 978 0099; e-mail: sshelton@thecwcgroup.com; website: www.cwcgfs.com.

Equatorial Guinea gas summit, October 4–5, 2018, Malabo, Equatorial Guinea. Details: CWC Associates Ltd, Regent House, Oyster Wharf, 16–18 Lombard Road, London SW11 3RF, UK. Tel: +44 207 978 000; fax: +44 207 978 0099; e-mail: sshelton@thecwcgroup.com; website: www.cwcgeg.com.

Angola future energy, October 8–9, 2018, London, UK. Details: CWC Associates Ltd, Regent House, Oyster Wharf, 16–18 Lombard Road, London SW11 3RF, UK. Tel: +44 207 978 000; fax: +44 207 978 0099; e-mail: sshelton@thecwcgroup.com; website: www.angolafutureenergy.com.

Basra mega projects – oil, gas and environment, October 9–10, 2018, Istanbul, Turkey. Details: CWC Associates Ltd, Regent House, Oyster Wharf, 16–

18 Lombard Road, London SW11 3RF, UK. Tel: +44 207 978 000; fax: +44 207 978 0099; e-mail: sshelton@thecwcgroup.com; website: www.cwcbasraoilgas.com.

2nd ECOWAS mining and petroleum forum and exhibition, October 9–11, 2018, Abidjan, Cote D'Ivoire. Details: AME Trade Ltd – Africa and Middle East Trade Ltd, Unit 408, United House, 39–41 North Rd, London N7 9DP, UK. Tel: +44 207 70 04 949; fax: +44 207 68 13 120; e-mail: trade@ametrade.org; website: <http://ametrade.org/events-training>.

Asia downstream week, October 9–11, 2018, Bangkok, Thailand. Details: Euro Petroleum Consultants Ltd, 44 Oxford Drive, Bermondsey Street, London SE1 2FB, UK. Tel: +44 207 357 8394; fax: +44 207 357 8395; e-mail: enquiries@europetro.com; website: www.europetro.com/week/adw2018.

Oil and gas investment symposium Chicago, October 10, 2018, Chicago, IL, US. Details: Independent Petroleum Association of America, 1201 15th Street, NW, Suite 300, Washington DC 20005, US. Tel: +1 202 857 47 22; fax: +1 202 857 47 99; website: www.ipaa.org.

Energy trading, October 10–11, 2018, London, UK. Details: Commodities People, Level 39, One Canada Square, Canary Wharf, London E14 5A, UK. Tel: +44 207 111 16 15; e-mail: herschel@commoditiespeople.com; website: www.etextalks.com.

Argus fuel oil summit, October 14–16, 2018, Miami, Florida. Details: Argus Media, Argus House, 175 St John Street, London EC1V 4LW, UK. Tel: +971 44 34 51 16; email: me.events@argusmedia.com; website: www.argusmedia.com/en/conferences-events-listing/fuel-oil-summit.

Climate change 2018, October 15–16, 2018, London, UK. Details: Chatham House, 10 St James's Square, London SW1Y 4LE, UK. Tel: +44 207 957 5700; fax: +44 207 957 5710; e-mail: contact@chathamhouse.org; website: www.chathamhouse.org/conferences/climate-change-2018.

Argus global crude 2018 – Geneva, October 16–18, 2018, Le Richemond, Switzerland. Details: Argus Media, Argus House, 175 St John Street, London EC1V 4LW, UK. Tel: +971 44 34 51 16; email: me.events@argusmedia.com; website: www.argusmedia.com/en/conferences-events-listing/global-crude-geneva.

Permian basin international oil show, October 16–18, 2018, Odessa, TX, US. Details: Ector Co, Coliseum Main Entrance, 42nd Street & Andrews Hwy, Odessa, TX, US. E-mail: pbioilshow@pbioilshow.org; website: www.pbioilshow.org.

10th CWC world LNG and gas series: Asia Pacific summit, October 16–19, 2018, Singapore. Details: CWC Associates Ltd, Regent House, Oyster Wharf, 16–18 Lombard Road, London SW11 3RF, UK. Tel: +44 207 978 000; fax: +44 207 978 0099; e-mail: sshelton@thecwcgroup.com; website: <https://asiapacific.cwclng.com>.

SPE Russian petroleum technology conference, October 15–17, 2018, Moscow, The Russian Federation. Details: Society of Petroleum Engineers, Part Third Floor East, Portland House, 4 Great Portland Street, London W1W 8JQ, UK. Tel: +44 207 299 3300; fax: +44 207 299 3309; e-mail: spelon@spe.org; website: www.spe.org/events/en/2018/conference/18rptc/spe-russian-petroleum-technology-conference-moscow.html.

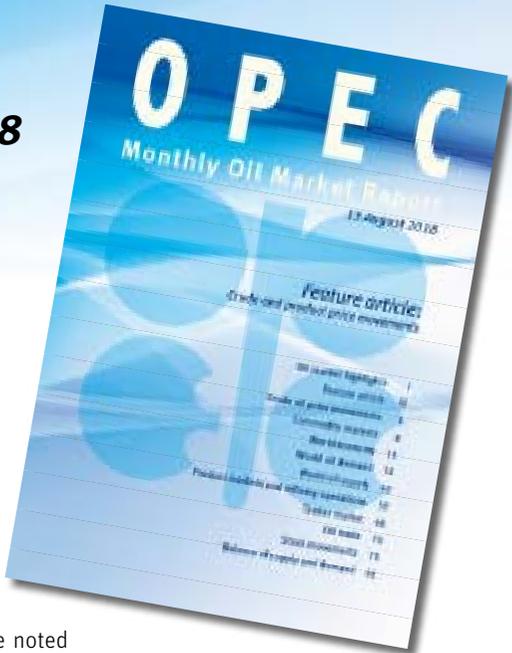
LARTC, October 17–18, 2018, Santiago de Chile, Chile. Details: The World Refining Association, Bedford House, Fulham Green, 69–79 Fulham High Street, London SW6 3JW, UK. Tel: +44 207 38 48 013; fax: +44 207 38 47 843; e-mail: enquiry@wraconferences.co.uk; website: <https://lartc.wraconferences.com>.

13th LPG trade summit, October 22–24, 2018, Istanbul, Turkey. Details: Centre for Management Technology, 80 Marine Parade Road #13-02, Parkway Parade, 449269 Singapore. Tel: +65 6345 7322/6346 9132; fax: +65 6345 5928; e-mail: cynthia@cmtsp.com.sg; website: www.cmtevents.com/aboutevent.aspx?ev=181027&



Crude and product price movements

August 2018



Compared to a year earlier, there has been an overall improvement in crude oil prices in 2018. The extent of the increases in the benchmarks has varied, impacted by different market fundamentals on each side of the Atlantic. At the same time, product prices have generally followed the upward trajectory of crude oil prices.

Since the end of 2016, the OPEC Reference Basket has increased by nearly 70 per cent, gaining \$30 to average \$73.27/b in July 2018. During the same period, ICE Brent improved by 60 per cent to reach \$75/b, while NYMEX WTI rose by 55 per cent to settle above \$70/b, for the first time since late 2014, at \$70.58/b. Oil prices increased during this period amid decreasing oil inventories, which have switched from showing a huge overhang to the five-year average at the end of 2016, to now stand at a deficit. Furthermore, robust global demand and growing geopolitical tension have supported the rise in crude oil prices. In addition, an all-time record increase in financial market trader activity also contributed to bullish sentiment.

The transatlantic spread between ICE Brent and NYMEX WTI widened significantly since the end of 2016, reaching as much as \$12/b in May, helping to raise US crude exports to Asia and Europe to record levels. The lack of pipeline capacity from the Permian Basin weighed on WTI prices and caused bigger discounts relative to Brent, which was buoyed by rising concerns over potential supply disruptions caused by geopolitical tension. However, in recent weeks the spread narrowed, as crude stocks at Cushing saw significant draws to reach the lowest level in almost four years after an outage at an oil sands facility in northern Alberta, Canada, reduced flows to the hub.

On the product side, fuel prices globally trended upwards in 2018 in response to rising crude prices. In the US, gasoline prices reached a 33-month record high of \$96/b in May, up by 30 per cent compared to \$75/b a year earlier. At the same time, refinery margins performed well, reaching a high of \$18.55/b during the same month,

both due to refineries being offline during peak maintenance, as well as healthy product demand. Since then, US gasoline prices have retreated slightly, as refineries came back online and refinery margins dropped to an average of \$13.05/b in

July. However, it should be noted that monthly demand data for US gasoline has shown some weakness so far this year, with three out of five months showing year-on-year declines. While gasoline demand growth appears to be softening, diesel in the US, on the other hand, managed to remain bullish with positive year-on-year demand growth, reaching 300,000 b/d in May.

Meanwhile, refining margins in Europe did not see the usual seasonal upward trend at the end of 2017, dropping to multiyear lows of \$4.15/b in March, with y-o-y changes remaining in negative territory for eight consecutive months. This was mainly driven by lower product demand, as requirements for diesel, particularly during the winter season, remained lower than expected.

Looking ahead, healthy global economic developments and increased industrial activity should support the demand for distillate fuels in the coming months, leading to a further drawdown in diesel inventories, which already stand well below the five-year average in the OECD region. Additionally, the lack of investments in fuel oil desulphurization units, to accommodate the IMO 2020 regulations amid the declining high-sulphur fuel-oil refinery output will likely boost diesel requirement, as a cleaner substitute for bunker fuel oil. These two factors could lead to further market tightness for diesel, thus exacerbating pressure on diesel prices.



Crude oil price movements – In July, the OPEC Reference Basket increased marginally by 5¢ m-o-m to settle at \$73.27/b. Oil futures saw mixed movement over the month, while US oil inventories continued to drain, particularly in Cushing, Oklahoma. ICE Brent averaged 99¢ m-o-m lower at \$74.95/b, while NYMEX WTI rose \$3.26 m-o-m to \$70.58/b. Year-to-date (y-t-d), ICE Brent is \$19.53 higher at \$71.72/b compared to the same period a year earlier, while NYMEX WTI climbed \$16.70 to \$66.20/b. The ICE Brent/NYMEX WTI spread narrowed by \$4.25/b to \$4.37/b in July. Speculative net long positions ended the month lower, particularly for ICE Brent. The Dubai market backwardated structure eased again, while Brent flipped into contango for the remainder of the year. In the US, WTI backwardation increased significantly for the second successive month. Apart from the USGC costal grades, the global sour discount to sweet crudes increased due to a surplus of sour crudes.

World economy – The global GDP growth forecast remains at 3.8 per cent for 2018 and 3.6 per cent for 2019, unchanged from the previous assessment. After a strong 2Q18, US growth was revised up by 0.1 pp in both 2018 and 2019, reaching 2.9 per cent and 2.5 per cent, respectively. Euro-zone growth slowed and the forecasts were revised down by 0.2 pp to 2 per cent for 2018 and by 0.1 pp to 1.9 per cent in 2019. Growth in Japan remains at 1.2 per cent in 2018, and the same level is projected for 2019. India's forecasts are unchanged at 7.3 per cent for 2018 and 7.4 per cent for 2019. After solid growth in 1H18, China's growth forecast was revised up by 0.1 pp to now stand at 6.6 per cent for 2018 and remains at 6.2 per cent for 2019. Growth in Brazil was revised down by 0.1 pp, reaching 1.6 per cent in 2018, but a mild rebound to 2.1 per cent is anticipated in 2019. Russia's GDP growth forecast remains unchanged at 1.8 per cent in both 2018 and 2019.

World oil demand – In 2018, oil demand growth

is anticipated to increase by 1.64m b/d, 20,000 b/d lower than last month's projections, mainly due to weaker-than-expected oil demand data from Latin America and the Middle East in 2Q18. Total oil demand is anticipated to reach 98.83m b/d. For 2019, world oil demand is forecast to grow by 1.43m b/d, also some 20,000 b/d lower than last month's assessment. Total world consumption is anticipated to reach 100.26m b/d. The OECD region will contribute positively to oil demand growth, rising by 270,000 b/d y-o-y, yet with growth of 1.16m b/d, non-OECD nations will account for the majority of growth expected.

World oil supply – Non-OPEC oil supply in 2018 was revised up by 73,000 b/d from the previous *MOMR* to average 59.62m b/d, representing an increase of 2.08m b/d y-o-y. The main reason for this upward revision was an adjustment for the Chinese supply forecast due to the higher-than-expected oil output in 1H18. Non-OPEC oil supply in 2019 is projected to reach an average of 61.75m b/d, indicating an upward revision by 106,000 b/d, mostly due to a re-assessment of the Chinese supply forecast for the next year. However, y-o-y growth was revised up by only 34,000 b/d, to average 2.13m b/d, owing to downward revisions in the US and Australian supply forecasts. The US, Brazil, Canada, the UK, Kazakhstan, Australia and Malaysia are the main growth drivers; while Mexico and Norway are expected to see the largest declines. The 2019 forecast remains subject to many uncertainties. OPEC NGL production in 2018 and 2019 is expected to grow by 120,000 b/d and 110,000 b/d to average 6.36m b/d and 6.47m b/d, respectively. In July, OPEC production increased by 41,000 b/d to average 32.32m b/d, according to secondary sources.

Product markets and refining operations – In July, US margins recorded solid losses as crack spreads for all products with the exception of fuel oil declined, due to weaker fundamentals and higher feedstock costs. Strong middle distil-

late stock builds and an all-time record breaking jet fuel output further pressured USGC refining margins. In Europe, product markets recorded moderate gains on the top and bottom of the barrel, supported by firm exports outweighing losses seen in the middle of the barrel. Meanwhile, product markets in Asia strengthened, supported by robust gasoline demand from India, lower fuel oil arrivals from Europe and lower crude prices, which led to reduced feedstock costs for refiners, while gasoil output in China hit new highs.

Tanker market – Dirty tanker spot freight rates declined on average in July. This was mainly on the back of the continued weak trend persisting in the market across all classes. VLCC spot freight rates declined on all reported routes, while Suexmax spot freight rates remained flat, suffering from limited activity in general. Aframax saw mixed freight rates; however, average rates went down, pressured by the drop seen in the Caribbean and despite a firmer market in the Mediterranean. Clean tanker average spot freight rates declined as a result of lower freights West of Suez. Generally, the market remained uneventful, with limited demand on tonnage.

Stock movements – Preliminary data for June showed that total OECD commercial oil stocks fell by 12.8m b m-o-m to stand at 2,822m b. This was 197m b lower than seen during the same time one year ago, and 33m b below the latest five-year average. However, OECD commercial oil stocks remain 251m b above the January 2014 level. In terms of days of forward cover, OECD commercial stocks fell in June to stand at 58.8 days, which is 2.1 days lower than the latest five-year average.

Balance of supply and demand – In 2018, demand for OPEC crude is expected at 32.9m b/d, 600,000 b/d lower than the 2017 level. In 2019, demand for OPEC crude is forecast at 32m b/d, around 800,000 b/d lower than the 2018 level.



The feature article and oil market highlights are taken from OPEC's Monthly Oil Market Report (MOMR) for August 2018. Published by the Secretariat's Petroleum Studies Department, the publication may be downloaded in PDF format from our Website (www.opec.org), provided OPEC is credited as the source for any usage. The additional graphs and tables on the following pages reflect the latest data on OPEC Reference Basket and crude and oil product prices in general.

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

Crude/Member Country	2017					2018							Weeks 26-30/2018 (week ending)					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Jun 29	Jul 6	Jul 13	Jul 20	Jul 27
Arab Light – Saudi Arabia	47.12	49.63	53.29	55.73	61.08	62.50	67.42	64.03	64.40	68.91	74.68	74.26	74.16	74.83	76.06	74.96	72.01	73.56
Basrah Light – Iraq	46.43	49.26	53.03	55.02	60.21	61.44	66.11	62.31	62.27	67.06	72.83	71.90	72.02	72.58	73.90	72.80	69.69	71.59
Bonny Light – Nigeria	48.66	51.69	56.55	57.97	63.29	64.64	69.92	66.02	67.05	72.75	77.73	74.86	75.06	75.96	77.10	75.98	72.07	74.93
Djeno – Congo*	47.15	51.04	55.89	56.71	61.75	62.83	67.42	62.97	64.08	69.31	73.84	70.58	70.91	71.49	72.70	71.71	67.93	71.01
Es Sider – Libya	46.96	50.31	55.07	56.48	61.58	63.09	68.23	64.36	64.89	70.43	75.25	72.27	72.43	73.37	74.47	73.35	69.44	72.30
Girassol – Angola	48.75	52.31	56.83	57.88	62.97	64.97	69.77	66.09	66.89	71.80	76.75	73.54	74.40	74.61	75.99	75.35	71.46	74.40
Iran Heavy – IR Iran	46.01	48.70	52.27	54.29	59.27	60.87	65.85	62.27	62.15	66.56	72.15	71.69	71.44	72.35	73.50	72.39	69.19	70.72
Kuwait Export – Kuwait	46.19	48.70	52.23	54.50	59.58	60.94	65.74	62.14	62.23	66.99	72.55	72.38	72.33	72.94	74.18	73.12	70.20	71.76
Marine – Qatar	47.45	49.71	52.91	55.14	60.47	61.54	66.36	63.14	63.39	67.63	73.36	72.94	73.06	73.31	74.64	73.75	70.96	72.62
Merey – Venezuela	43.41	45.38	49.13	50.70	55.86	56.04	59.14	57.68	56.94	60.25	68.29	69.25	70.37	70.57	71.47	70.26	68.40	70.67
Murban – UAE	49.02	51.51	54.94	57.39	62.76	63.84	68.81	65.88	66.31	70.97	76.71	76.18	76.00	76.81	77.81	76.81	73.78	75.42
Oriente – Ecuador	45.21	47.45	51.30	53.77	59.23	59.66	63.53	60.28	61.16	65.37	70.39	70.05	69.11	70.76	70.97	69.33	67.20	68.66
Rabi Light – Gabon	47.54	50.69	55.10	56.31	61.66	63.17	68.16	64.19	64.92	70.61	75.88	73.11	73.07	73.91	74.66	73.88	70.16	73.19
Saharan Blend – Algeria	47.96	51.31	56.32	57.88	63.23	64.74	69.93	66.01	66.69	72.13	77.25	73.37	73.93	74.47	75.97	74.85	70.94	73.80
Zafiro – Equatorial Guinea	48.19	51.67	56.57	57.73	62.75	64.34	69.23	65.19	65.91	71.43	76.68	73.84	74.05	74.79	75.97	74.95	71.04	73.90
OPEC Reference Basket	46.93	49.60	53.44	55.50	60.74	62.06	66.85	63.48	63.76	68.43	74.11	73.22	73.27	73.94	75.13	74.05	70.95	72.81

Table 2: Selected spot crude prices
\$/b

Crude/country	2017					2018							Weeks 26-30/2018 (week ending)					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Jun 29	Jul 6	Jul 13	Jul 20	Jul 27
Arab Heavy – Saudi Arabia	45.76	48.55	51.78	53.99	59.03	60.47	65.24	61.60	61.49	66.47	72.24	72.30	72.50	72.85	74.25	73.31	70.40	72.00
Brega – Libya	47.61	50.76	55.34	56.78	61.99	63.54	68.68	64.96	65.64	71.33	76.35	73.47	73.63	74.57	75.67	74.55	70.64	73.50
Brent Dtd – North Sea	48.51	51.66	56.07	57.28	62.63	64.14	69.13	65.16	65.89	71.58	76.85	74.17	74.33	75.27	76.37	75.25	71.34	74.20
Dubai – UAE	47.59	50.24	53.51	55.63	60.81	61.61	66.15	62.69	62.76	68.29	74.20	73.61	73.09	74.19	74.82	73.88	70.98	72.53
Ekofisk – North Sea	48.63	52.30	57.15	57.85	63.28	64.98	69.99	65.81	66.63	72.61	78.28	73.99	74.54	75.05	76.12	75.15	71.24	75.14
Iran Light – IR Iran	47.03	50.85	54.45	56.25	62.12	63.37	68.32	62.64	63.44	68.76	74.60	72.56	72.10	73.24	74.21	73.16	69.24	71.74
Isthmus – Mexico	50.75	52.92	55.20	56.08	61.35	62.57	67.57	64.83	65.40	68.10	73.03	70.92	69.63	72.42	72.83	70.67	67.64	68.04
Oman – Oman	47.63	50.37	53.95	55.63	60.84	61.63	66.42	63.00	63.31	68.34	74.38	73.69	73.20	74.21	74.98	74.02	71.10	72.77
Suez Mix – Egypt	46.12	49.59	53.19	55.11	60.83	62.04	66.99	61.31	61.93	67.62	73.67	71.85	71.50	72.61	73.58	72.55	68.64	71.14
Minas – Indonesia*	43.96	45.91	49.20	50.55	55.50	56.95	60.91	58.15	58.90	63.53	68.26	76.72	73.51	78.41	76.06	74.80	71.24	72.17
Urals – Russia	47.82	51.30	54.89	56.81	62.53	63.75	68.69	63.01	63.63	69.16	75.23	73.55	73.20	74.31	75.28	74.25	70.34	72.84
WTI – North America	46.67	48.03	49.71	51.57	56.67	57.94	63.70	62.15	62.76	66.32	69.89	67.70	71.03	72.85	73.79	71.94	68.96	70.08

Notes:

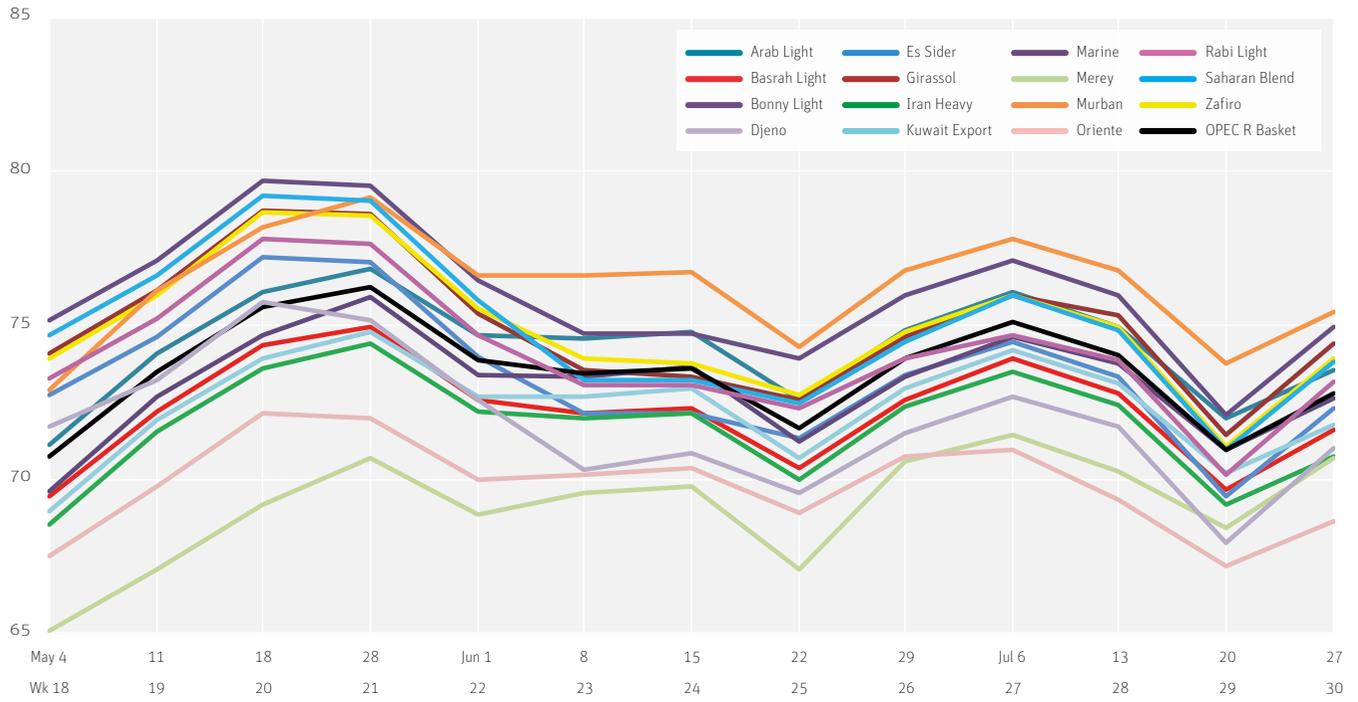
Brent for dated cargoes; Urals cif Mediterranean. All others fob loading port.

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

Sources: Argus; Secretariat's assessments.

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

\$/b



Graph 2: Evolution of selected spot crude prices, 2018

\$/b

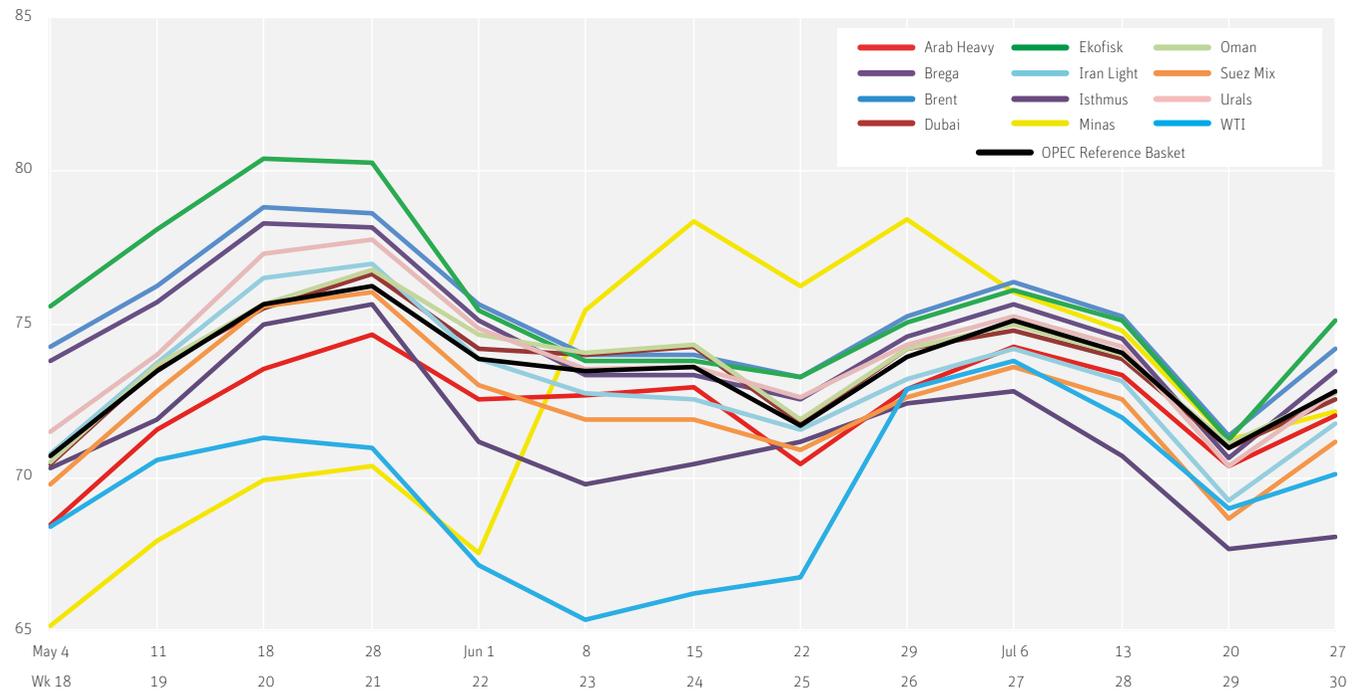


Table and Graph 3: North European market – spot barges, fob Rotterdam

\$/b

	naphtha	regular gasoline unleaded	diesel ultra light	jet kero	fuel oil 1 per cent S	fuel oil 3.5 per cent S
2017						
July	47.29	70.31	60.90	61.17	45.03	42.23
August	51.00	75.17	64.70	65.71	46.64	44.06
September	55.76	79.57	71.33	70.72	49.82	47.00
October	57.45	76.10	71.69	71.36	50.61	47.35
November	63.44	82.88	75.35	78.12	55.64	51.68
December	63.79	80.40	76.56	77.64	54.46	51.21
2018						
January	65.48	85.60	82.15	83.10	57.65	54.41
February	61.52	82.80	77.45	81.65	55.15	52.04
March	63.29	79.34	78.64	82.03	55.15	52.00
April	67.11	90.68	85.49	87.45	58.66	55.61
May	73.73	96.58	91.30	93.03	65.69	62.64
June	69.92	93.71	88.75	89.30	65.94	62.70
July	71.04	93.79	88.00	88.79	67.51	64.45

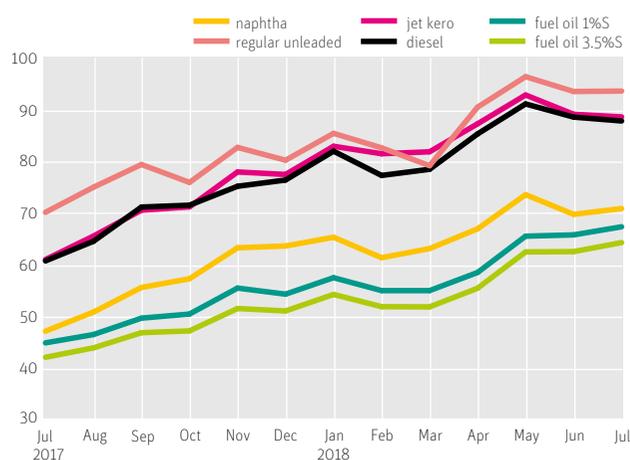


Table and Graph 4: South European market – spot cargoes, fob Italy

\$/b

	naphtha	premium gasoline 50ppm	diesel ultra light	fuel oil 1 per cent S	fuel oil 3.5 per cent S
2017					
July	46.31	61.17	62.06	45.35	43.60
August	50.46	66.85	65.54	46.70	44.94
September	54.97	71.24	71.77	49.97	48.10
October	56.67	68.30	72.03	51.51	48.88
November	62.85	72.97	76.17	56.06	53.14
December	62.72	72.85	77.24	55.51	52.65
2018					
January	64.29	78.36	82.91	59.24	55.94
February	60.54	74.32	78.73	56.29	53.44
March	62.41	74.83	79.81	56.38	53.47
April	66.59	83.43	86.62	59.63	56.90
May	73.32	88.50	92.52	66.57	63.80
June	69.53	85.99	89.18	67.38	64.27
July	70.74	86.82	89.12	68.37	65.88

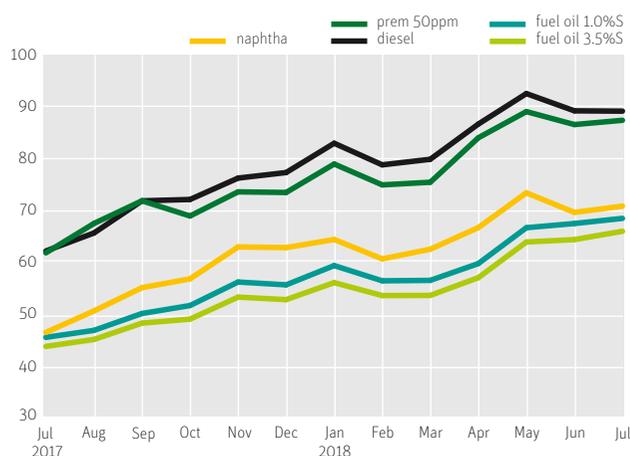
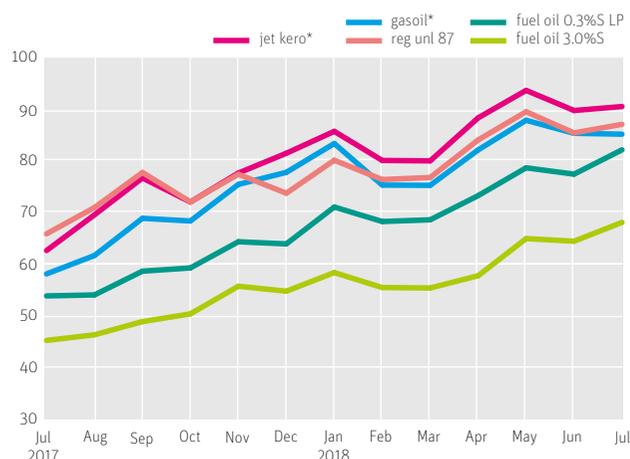


Table and Graph 5: US East Coast market – spot cargoes, New York

\$/b, duties and fees included

	regular gasoline unleaded 87	gasoil*	jet kero*	fuel oil 0.3 per cent S	fuel oil 3.0 per cent S
2017					
July	65.78	58.03	62.55	53.78	45.17
August	70.86	61.59	69.45	53.97	46.26
September	77.64	68.78	76.57	58.56	48.81
October	71.96	68.26	71.93	59.19	50.31
November	77.29	75.33	77.53	64.25	55.65
December	73.63	77.66	81.35	63.83	54.69
2018					
January	80.00	83.24	85.59	70.96	58.29
February	76.27	75.20	79.96	68.16	55.40
March	76.67	75.15	79.88	68.49	55.31
April	83.93	82.00	88.20	73.16	57.68
May	89.38	87.73	93.51	78.54	64.86
June	85.29	85.21	89.62	77.31	64.35
July	86.95	85.04	90.39	82.02	67.99



* FOB barge spot prices.

Source: Argus. Prices are average of available days.

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

\$/b

	naphtha	premium gasoline unl 95	premium gasoline unl 92	gasoil	jet kero	fuel oil 180 Cst	fuel oil 380 Cst
2017							
July	45.92	61.76	59.02	61.05	59.77	50.45	45.58
August	50.58	67.51	64.70	63.51	63.11	51.91	47.08
September	55.20	70.43	67.55	68.49	68.08	55.73	50.55
October	57.79	70.04	67.37	68.61	68.36	57.07	51.72
November	64.67	75.59	73.07	73.14	74.02	62.02	56.67
December	65.21	75.32	73.26	75.27	75.45	62.10	56.20
2018							
January	66.26	78.61	76.65	80.78	81.00	64.40	58.85
February	61.41	77.02	74.15	77.46	80.01	62.58	56.56
March	63.08	77.12	74.25	77.75	79.00	61.74	56.05
April	67.14	81.50	78.45	83.72	85.16	64.41	59.63
May	74.66	87.60	85.29	89.52	89.93	73.38	67.07
June	70.89	83.53	81.50	86.87	86.91	74.47	68.15
July	72.25	83.11	81.08	85.55	87.31	76.38	69.98

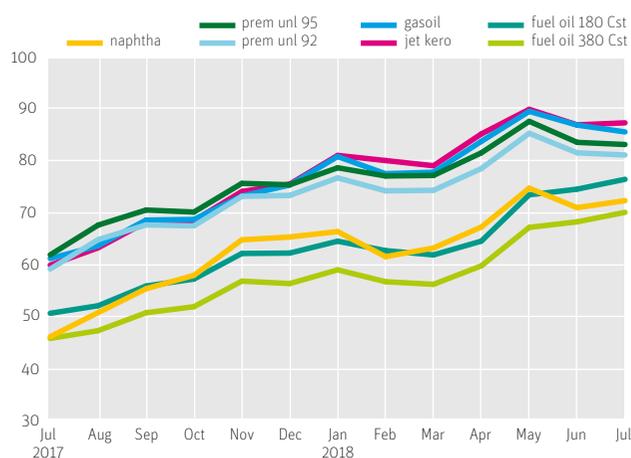
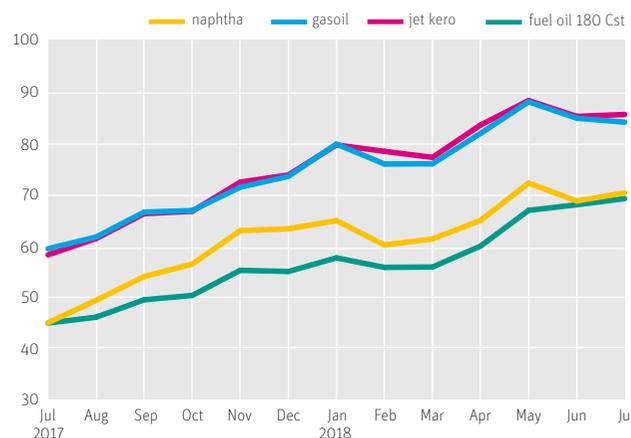


Table and Graph 7: Middle East Gulf market – spot cargoes, fob

\$/b

	naphtha	gasoil	jet kero	fuel oil 180 Cst
2017				
July	45.16	59.47	58.28	45.09
August	49.48	61.73	61.43	46.22
September	54.09	66.55	66.24	49.59
October	56.49	66.85	66.71	50.43
November	62.97	71.37	72.35	55.29
December	63.31	73.46	73.74	55.06
2018				
January	64.91	79.71	79.55	57.70
February	60.19	75.86	78.30	55.86
March	61.36	75.90	77.14	55.93
April	64.95	81.77	83.40	59.98
May	72.17	87.89	88.14	66.89
June	68.71	84.72	85.07	67.97
July	70.27	83.95	85.44	69.16



Source: Argus. Prices are average of available days.

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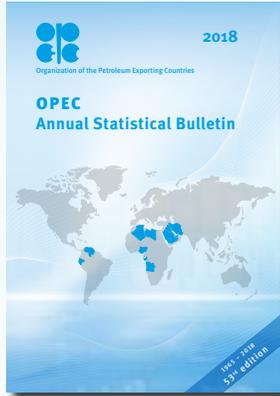
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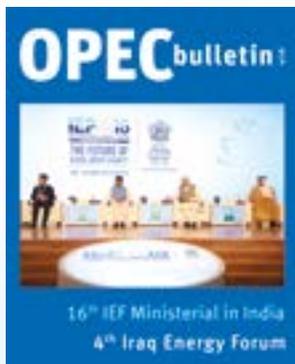
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