

OPEC bulletin 10/18



**2nd Russian Energy Week
held in Moscow**

10th JMMC held in Algiers

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Cooperation: the tried and tested approach

The nature of the oil industry means that it is often subject to forces beyond any one individual stakeholder's capacity to control. Geopolitical events, natural catastrophes, technological breakthroughs, to name a few; the history of the oil industry is laden with examples where unexpected events have had huge ramifications. In recent years, this trend has appeared particularly acute.

OPEC Secretary General, Mohammad Sanusi Barkindo, acknowledged this in his keynote address at the 'Africa Oil and Power Conference', held in South Africa in early September. He alluded to the fact that unexpected forces can often appear to have a trajectory of their own.

This can pose challenges for all stakeholders in the international oil industry. OPEC often must navigate a path through these complex challenges. Nevertheless, the Organization remains unwavering in its commitment to its core aim: oil market stability, which is integral to the interests of both producers and consumers.

The fact remains that our world is highly interconnected and globalized. This means that no one stakeholder can overcome obstacles acting alone. Previous experience has shown that international cooperation and dialogue between stakeholders, including consumers and producers, remains the most effective problem-solving mechanism, as well as the key conduit for knowledge exchange.

This is evidently the bedrock of the 'Declaration of Cooperation' process. OPEC Member Countries, working hand-in-glove with their non-OPEC partners, have taken action that has helped nurse the global oil industry back to a healthy state following the worst downturn in its history.

The Joint Ministerial Monitoring Committee (JMMC) attested to this progress when it convened in Algiers, Algeria for its tenth meeting, on September 23, 2018. In its *Press Release*, the Committee noted that, "despite growing uncertainties surrounding market fundamentals, including the economy, demand and supply, the participating producing countries of the 'Declaration of Cooperation' continue to seek a balanced and sustainably stable global oil market, serving the interests of consumers, producers, the industry and the global economy at large. The Committee also expressed its satisfaction regarding the current oil market outlook, with an overall healthy balance between supply and demand."

The 'Declaration of Cooperation' process may appear to be novel; however, it should be borne in mind that it is in fact the modern manifestation of a faith in international cooperation that is intrinsic to OPEC. As an intergovernmental organization, the Organization is a strong supporter of the multilateral system. OPEC was registered with the UN Secretariat as an inter-governmental organization on November 6, 1962, following UN Resolution No 6363.

Throughout the following decades, OPEC has enjoyed an expanding and productive relationship with the UN. This has been a priority for Barkindo since his appointment as Secretary General in August 2016.

In March 2017, the OPEC Secretary General met with the newly appointed Deputy Secretary General of the UN, Amina Mohammed. This was an opportunity to discuss the broad spectrum of issues on which the two entities collaborate. The Secretary General has also been involved in extensive, ongoing dialogue with Patricia Espinosa, Executive Secretary of the UN Framework Convention on Climate Change (UNFCCC), who spoke recently at the 7th OPEC International Seminar. These talks have opened up further possibilities for enhancing collaboration between OPEC and the UNFCCC on matters such as climate change, sustainable development and economic diversification.

OPEC is also committed to engaging in bilateral dialogue with consumers. Energy dialogues regularly take place with China, the European Union (EU) and India. The Secretary General will travel to New Delhi to participate in a range of engagements later in October, which also includes the OPEC-India Energy Dialogue. Throughout the entire 'Declaration of Cooperation' process, OPEC has solicited and sought to respond to the views of consumers. It will continue to do so going forward.

So while critical uncertainties may constitute an important force in our industry, as the Secretary General said in South Africa, "there is another force alive and well in our industry. This force exists in the desire of producers, consumers and investors, ordinary women and men throughout the world, to have sustainable stability in the oil market.

"This force thrives in the hearts and minds of decision makers who know that cooperation, collaboration and team-work remain the most effective problem-solving techniques this industry or indeed any industry knows. This force underpins the 'Declaration of Cooperation' and encourages other stakeholders, many of whom are in this room, to lend their support to this noble cause." ❁



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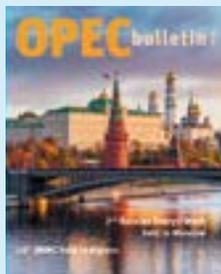
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This month's cover shows the Kremlin in Moscow, Russia. The 2nd Russian Energy Week was held in Moscow in October (see story on p26).

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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.

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Celebrating cooperation: The 10th Joint Ministerial Monitoring Committee in Algiers





Anniversary Algiers Accord — Declaration of Cooperation

*They say location is everything, and in the case of the 10th Meeting of the Joint OPEC-non-OPEC Ministerial Monitoring Committee, the old adage fits perfectly. Two years after the historic Algiers Accord was signed in the Algerian capital, all eyes in the world of energy turned once again to this magnificent city by the sea, as OPEC and its non-OPEC partners gathered here to deliberate on the latest developments surrounding the ‘Declaration of Cooperation’ and celebrate the two-year anniversary of that landmark meeting in 2016 that would end up changing the oil industry forever. The OPEC Bulletin’s **Scott Laury** was in Algiers and takes you behind the scenes.*

The Ministers and delegates descended upon the El Aurassi Hotel in Algiers on the morning of September 23, 2018, prepared for an ambitious schedule of events, beginning with the 10th Meeting of the Joint OPEC-Non-OPEC Ministerial Monitoring Committee (JMMC).

This was followed by an official luncheon and a Special Celebration commemorating the 2nd Anniversary of the Algiers Accord. During the commemorative ceremony, there was a special tribute paid to the President of the Republic of Algeria, Abdelaziz Bouteflika. The Prime Minister of Algeria, Ahmed Ouyahia, delivered opening remarks, and Suhail Mohamed Al Mazrouei, Minister of Energy and Industry of the United Arab Emirates (UAE) and President of the OPEC Conference, delivered a moving citation in honour of Algeria’s long-serving Head of

View of the city of Algiers with the Martyrs’ Memorial.



L–r: Suhail Mohamed Al Mazrouei, President of the OPEC Conference and Minister of Energy and Industry of the United Arab Emirates; Mohammad Sanusi Barkindo, OPEC Secretary General; Khalid A Al-Falih, Chairman of the JMMC and Minister of Energy, Industry and Mineral Resources of the Kingdom of Saudi Arabia; Alexander Novak, JMMC Co-Chairman and Minister of Energy of The Russian Federation; and Mustapha Guitouni, Algerian Minister of Energy.

State. OPEC then officially launched its 2018 *World Oil Outlook*, and the day wrapped up with a press conference to present the conclusions of the JMMC Meeting.

10th Meeting of the JMMC

The meeting was kicked off with a round of opening remarks from the Algerian Head of Delegation, the JMMC Chairman and Co-Chairman, the OPEC President, and the OPEC Secretary General.

A theme that was echoed throughout the opening speeches was the generous and gracious hospitality provided by the Algerian hosts.

Algerian Minister of Energy

This welcoming spirit was evident in the remarks of the Algerian Minister of Energy, Mustapha Guitouni, who offered an eloquent description of the splendid and historic host city.

“Allow me to warmly welcome you to Algeria, in this wonderful city of Algiers — known as *Almahroussa* — the well kept — which, during its two and a half millennia of history, has left none of its visitors indifferent to its magnificent bay, its streets and districts steeped in history, the whiteness of its buildings and the charm of its inhabitants.”

He then touched on Algeria's long and influential history within OPEC and the integral role it has often played in the Organization's planning and decisions.

"In line with its traditions and history, Algeria has never ceased to work towards the rapprochement of positions between countries that are brothers and friends," he explained. "Just after we have completed the nationalization of its hydrocarbon resources, Algeria held in 1975, not far from here, the First Summit of Sovereigns and Heads of State of OPEC, resulting in the First Solemn Declaration of Algiers. Subsequently, many meetings of the OPEC Conference were successfully held, from Algiers to Oran, until today's meeting of the OPEC and non-OPEC Joint Ministerial Monitoring Committee."

Finally, he lauded the success of the 'Declaration of Cooperation' and explained how important its ongoing work was to ensure the future stability and growth of the global oil market.

"The 'Declaration of Cooperation' is a remarkable historical success. It is, today, in the interest of producers, the oil industry and consumers to capitalize on its positive effects and ensure a smooth transition so as not to destabilize the ongoing return to market equilibrium," he said. "We must now consider the ways and

means of sustaining our cooperation and maintaining the basis for a permanent dialogue not only between OPEC and non-OPEC countries, but also, and above all, between producing and consuming countries."

Chairman of the JMMC

The Chairman of the JMMC, Khalid A Al-Falih, Minister of Energy, Industry and Mineral Resources of the Kingdom of Saudi Arabia was next on the agenda to provide remarks.

He began by emphasizing the ongoing success of the OPEC-Non-OPEC cooperation and how it has helped bring stability back to the oil market.

"Despite a complex and challenging environment over the past several months, which has been shaped by the confluence of a wide range of market and non-market factors, I'm delighted that our partnership of OPEC and non-OPEC producers continues to work well and to produce admirable results," he explained. "I'm delighted to note that our joint efforts have played such a pivotal role in achieving the current level of market stability."

As Chairman of the JMMC, he also recognized the stellar efforts of the two Committees that oversee the implementation process.

Members of the international and local media ask questions following the JMMC meeting.





Suhail Mohamed Al Mazrouei, President of the OPEC Conference and Minister of Energy and Industry of the United Arab Emirates.



Khalid A Al-Falih, Chairman of the JMMC and Minister of Energy, Industry and Mineral Resources of the Kingdom of Saudi Arabia.

“I am also pleased to note that both the JMMC and the JTC have made outstanding efforts in demanding circumstances. I would like to thank both the Joint Technical Committee and every one of my JMMC colleagues for their cooperation and to congratulate them on the favorable results that have been achieved.”

He added that there are still challenges to come, but the key is to remain united and do what is possible to avoid volatility.

“Clearly and simply, it is critical that we continue to foresee and anticipate changing market supply and demand balances, and take proactive actions to avoid conditions that could make consumers uneasy and anxious,” he stated.

“In particular, that means availing adequate supplies and avoiding any shortfalls in the market. Uncertainty and anxiety not only erode oil demand but also undermine the broader market environment, which could easily tip into instability on either side of the supply-demand equation.”

Continued dialogue and cooperation with all stakeholders, including consumers, will be the key factor to success, according to the Chairman.

“In addition to our current JMMC framework, I strongly believe that continued candid dialogue with consumers is also an important part of our joint strategy going forward,” he emphasized. “Such engagement not only provides us with an opportunity to better understand the viewpoints of our consumers, but also to inspire greater confidence among them and create the conditions to sustain a more stable market.”

Finally, the Chairman stressed the importance of institutionalizing OPEC and Non-OPEC cooperation on a permanent basis.

“Looking further into the future, as previously indicated we continue to work on creating suitable longer-term mechanisms for cooperation between OPEC and non-OPEC producers, which will ensure that the market is well-monitored, well-supplied, and well-balanced, as well as injecting confidence into it,” he said.

“We must start working on our plans for collective action to keep the market balanced in 2019. I believe we must use the remaining time before the Ministerial Meetings in December to prepare proposals for 2019 production.”



Mohammad Sanusi Barkindo, OPEC Secretary General.



Alexander Novak (l), JMMC Co-Chairman and Minister of Energy of The Russian Federation; and Mustapha Guitouni (r), Algerian Minister of Energy.

Co-Chairman of the JMMC

The floor was then turned over to the JMMC Co-Chairman, Alexander Novak, Minister of Energy of The Russian Federation, who delivered his opening remarks.

After thanking the Algerian Government for hosting the event and for the excellent hospitality provided, he echoed the remarks of the previous speakers on the need to continue the OPEC and Non-OPEC cooperation

process in order to ensure a lasting stability in the global oil markets.

He added that the 'Declaration of Cooperation' had been a resounding success and that stakeholders were looking to OPEC and Non-OPEC nations to continue these positive efforts for the benefit of the oil market and the global economy.

Media in attendance at the JMMC meeting.





L-r: Manuel Salvador Quevedo Fernandez, People's Minister of Petroleum of Venezuela; Khalid A Al-Falih, Chairman of the JMMC and Minister of Energy, Industry and Mineral Resources of the Kingdom of Saudi Arabia; Mustapha Guitouni, Algerian Minister of Energy; Suhail Mohamed Al Mazrouei, President of the OPEC Conference and Minister of Energy and Industry of the United Arab Emirates.



Khalid A Al-Falih (l), Chairman of the JMMC and Minister of Energy, Industry and Mineral Resources of the Kingdom of Saudi Arabia; with Alexander Novak (r), JMMC Co-Chairman and Minister of Energy of The Russian Federation.

President of the OPEC Conference

The President of the OPEC Conference, Suhail Mohamed Al Mazrouei, Minister of Energy and Industry of the UAE, also provided some opening remarks in which he commended Algeria for its long and influential history as a Member of OPEC.

“It is indeed of great significance to return to Algiers after our critically important Conference two years ago. Algeria has played a very unique role since joining OPEC in 1969, and it is only proper that we use this opportunity to celebrate the contribution Algeria has made to the betterment of our Organization,” he said. “Algiers was the location of the First OPEC Summit in 1975 and resulted in the Organization’s First Solemn Declaration. The Summit also resulted in the founding of the OPEC Fund for International Development, (OFID). Algeria also hosted meetings of the OPEC Conference in 1980, 2004, 2008 and 2016. Therefore, it is very appropriate that we honour Algeria’s role at this commemorative meeting of the JMMC.”

He also noted that the noble and courageous efforts of the OPEC-Non-OPEC participating nations had rescued the oil industry from one of its worst slumps in history.

“Today, our industry is in a much healthier place

than when the historic Algiers Meeting took place on September 28, 2016. Fundamentals are strong, and we have seen a return of a greater degree of balance to the market,” he said. “OPEC and its non-OPEC partners have demonstrated what can be achieved when working together. I’d like to commend all participating countries for their historic efforts in this regard.”

He concluded by reaffirming the need to make this cooperation a long lasting one, and one in which other nations can join.

“I hope we can continue our important discussions on further means of institutionalizing our cooperation. We are only seeing the beginning of all the great things we can accomplish when working together, in the interests of producers, consumers and the global economy.”



Mohammad Sanusi Barkindo (l), OPEC Secretary General; with Alexander Novak, JMMC Co-Chairman and Minister of Energy of The Russian Federation.

Looking at issues related to implementation, the JMMC noted that countries participating in the ‘Declaration of Cooperation’ had achieved a conformity level of 129 per cent in August 2018, and 109 per cent in July 2018, showing reasonable progress towards the decisions of the 174th Meeting of the OPEC Conference and the subsequent 4th OPEC and Non-OPEC Ministerial Meeting to adjust overall conformity to 100 per cent.

Seeking sustainable market stability

The meeting was attended by 20 participating producing countries of the ‘Declaration of Cooperation’, demonstrating a high level of commitment to sustainable oil market stability.

After the opening remarks, the Meeting got underway as the Committee reviewed the monthly report prepared by its Joint Technical Committee (JTC) and the short-term developments in the global oil market, including prospects for 2019.

The JMMC noted that, despite growing uncertainties surrounding market fundamentals, including demand, supply and the economy, the participating countries of the ‘Declaration of Cooperation’ would continue to aim for an enduring stability in the global oil market, in the interests of consumers, producers, the industry and the global economy.

The Committee also observed that the current oil market outlook was characterized by an overall healthy balance between supply and demand.

Eng Mohamed Hamel, Algeria’s Governor for OPEC.





Members of the JMMC take time out for a group photograph.



The Committee noted that the rate of inventory draw-downs had been reversed as a result of these positive efforts, and urged countries with spare capacity to work with customers to meet their demand during the remaining month of 2018.

The Committee requested that the JTC continue monitoring the oil market conditions and conformity levels in its efforts to achieve 100 per cent conformity in 2018.

Additionally, it was agreed that the JTC would examine the 2019 outlook and present options regarding 2019 production levels that would help prevent any market imbalance.

Before adjourning, it was announced that the next meeting of the JMMC would take place on November 11, 2018, in Abu Dhabi, United Arab Emirates.

Tribute to the President of Algeria

The 10th Meeting of the JMMC coincided with the commemoration of the 2nd Anniversary of the 170th Extraordinary OPEC Conference, the Algiers Accord, which subsequently culminated in the ‘Declaration of Cooperation’ in December of 2016.

To mark the occasion, the Algerian hosts organized a very special tribute to Abdelaziz Bouteflika, President of the Republic of Algeria, in recognition of the country’s unwavering support and leading contribution to the landmark ‘Declaration of Cooperation’.

The ceremony was attended by high-level Algerian officials, Members of the JMMC, the Secretary General and his OPEC delegation, as well as invited diplomats from the Algiers diplomatic corps.



Suhail Mohamed Al Mazrouei (r), President of the OPEC Conference and Minister of Energy and Industry of the United Arab Emirates, answering questions of the press.

L-r: Suhail Mohamed Al Mazrouei, President of the OPEC Conference and Minister of Energy and Industry of the United Arab Emirates; Mohammad Sanusi Barkindo, OPEC Secretary General; Khalid A Al-Falih, Chairman of the JMMC and Minister of Energy, Industry and Mineral Resources of the Kingdom of Saudi Arabia; Alexander Novak, JMMC Co-Chairman and Minister of Energy of The Russian Federation; Mustapha Guitouni, Algerian Minister of Energy; Pavel Sorokin, Russian Deputy Energy Minister; and Hasan Hafidh, Head of OPEC’s PR & Information Department.

J M M C



The 20th Joint Technical Committee (JTC) meeting in Algiers with Eng Adeb Al-Aama (c), Chairman; Denis Deryushkin (l), Co-Chairman; and Mohammad Sanusi Barkindo (r), OPEC Secretary General.



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The OPEC stand at the JMMC meeting in Algiers.

The event was inaugurated with the Algerian military marching band and chorus, which performed the Algerian national anthem.

This was followed by opening remarks from the Algerian Prime Minister, Ahmed Ouyahia, who lauded Algeria's long-serving head of state, Abdelaziz Bouteflika, highlighting his dedicated contributions to OPEC through the years, most recently as part of the 'Declaration of Cooperation' process.

Afterward, OPEC presented a film tribute to the President, which also chronicled Algeria's long and rich

history as an influential Member Country within the Organization.

The President of the OPEC Conference, Suhail Mohamed Al Mazrouei, then offered a special gift and read a moving citation in honour of the President.

"It is a distinct honour and great privilege to pay tribute to whom tribute is due, Abdelaziz Bouteflika; one of the world's leading statesmen; and a key architect of the 'Declaration of Cooperation'." He continued by underlining the many key meetings and decisions that were made in Algeria and spearheaded by the Algerian President.

A group photograph taken after the Joint Technical Committee (JTC) meeting.



J M M C



Suhail Mohamed Al Mazrouei, President of the OPEC Conference and Minister of Energy and Industry of the UAE, read a moving citation in honour of Algeria's President Abdelaziz Bouteflika.

“If I were to describe all of the President’s accomplishments, we would be here for hours. But thankfully, the facts speak for themselves. In the 49 years since Algeria joined OPEC, the following landmarks events and entities originated here: the First OPEC Summit; the first solemn Declaration; the birth of OFID; the Oran production adjustments; the Algiers Accord and the ‘Declaration of Cooperation’.”

President Bouteflika was then commended on his visionary leadership role that has guided Algeria, and benefited OPEC, through the years.

“I don’t believe in coincidences. I believe these historic watershed moments took place in this great nation because of the visionary leadership of President Bouteflika; Algeria’s



Ahmed Ouyahia, Algeria's Prime Minister.

The ceremony was attended by high-level Algerian officials, Members of the JMMC, the Secretary General and his OPEC delegation, as well as invited diplomats from the Algiers diplomatic corps.



The tribute was opened by Ahmed Ouyahia (r), the Algerian Prime Minister, who lauded Algeria's long-serving head of state, President Abdelaziz Bouteflika.



Left: Ahmed Ouyahia (l), Algerian Prime Minister, received a special gift on behalf of President Bouteflika from Suhail Mohamed Al Mazrouei, President of the OPEC Conference and Minister of Energy and Industry of the United Arab Emirates.

unwavering commitment to the health of the global oil industry and the generations of skilled and dedicated public servants who hail from this land.”

The OPEC President concluded his citation with an inspiring message of hope.

“And this long history means that not only is Algeria

a tremendous host nation for high calibre meetings, but it is a symbol of hope; a nation which encapsulates the spirit of international cooperation and dialogue, the Pearl of Africa! Thank you, Mr President for your great hospitality and may God always bless the People’s Democratic Republic of Algeria.”



The tribute to Abdelaziz Bouteflika, President of the Republic of Algeria, was inaugurated with the Algerian military marching band and chorus, which performed the Algerian national anthem.



Sonatrach begins implementation of its long-term strategy

Algeria's national oil company, Sonatrach, recently launched its SH2030 Leading the Change vision, which charts the company's future path and sets out its strategic objectives from now until 2030. During the recent mission to Algiers for the 10th Meeting of the Joint Ministerial Monitoring Committee, OPEC was invited to the Sonatrach headquarters to present its 2018 World Oil Outlook. After the presentation, the OPEC Bulletin's **Scott Laury** had the opportunity to sit down with Sonatrach Chairman and Chief Executive Officer, **Abdelmoumen Ould Kaddour**, to discuss the company's current transformation and long-term vision.



An OPEC delegation met Sonatrach Chairman and Chief Executive Officer, Abdelmoumen Ould Kaddour, at the Sonatrach headquarters in Algiers, Algeria.

Question: Algeria has historically played a key role within OPEC, and this tradition has continued in the last few years with the consultations leading up to the Algiers Accord and then the Declaration of Cooperation. What does the success of this unprecedented cooperation mean to Sonatrach and to Algeria?

Answer: I think Algeria has always been respectful of other countries, and we do not like to interfere with the internal affairs of other nations. When you have a common organization with different member countries such as OPEC, it is important to find common ground, and we have always sought to establish a mutual understanding

with the other members. We all work together for the stability of the whole group.

Algeria is seeking stability for many reasons. One of the most important issues is that when you have a stable oil market, companies can plan on long-term economics. If you have volatility, there is no way you can plan for the future. Countries like Algeria need to have a long-term strategy so we can plan on how much income will be generated to develop our economy.

Thus, the impact of having this type of relationship between OPEC and non-OPEC producing countries is very important. Just as

an example, I recently received for the first time the energy ministers from Azerbaijan, Angola and a few other producing nations. And in our meetings, we talked about more than just production volumes and oil prices. We actually discussed what kind of synergies we could develop together for our mutual benefit. This type of dialogue and cooperation is possible now thanks to the OPEC-Non-OPEC Declaration Cooperation, and thus, for Algeria, this 2nd Anniversary of the Algiers Accord is indeed an important occasion.

Can you tell us how your strategic vision SH2030 was created?

The first thing I did when I started here at Sonatrach 16 months ago was to ask where do we want to go, what are our objectives, how will we accomplish this and who is going to be in charge of getting this done. All of these questions needed to be answered. We had to create, in a sense, a different company. That's why we created this new strategy, SH2030, which was launched one year ago.

What are the main aspects of the plan?

The SH2030 vision is based on three pillars. The first is human resources. We needed to change the way we make decisions, and it was important to streamline our processes.

One of the ways we addressed these areas was to create an executive leadership training programme to ensure that top management would be prepared to carry out our strategic plans and vision.

We have also been focusing on improving the quality of our educational system, namely the Algerian Petroleum Institute, to ensure we continue to get the qualified local talent we need in the years ahead. Additionally, we are working on developing and enhancing our management academy.

These areas were previously lost in the organization but have now been elevated to my office where I oversee them to help ensure that they remain priority areas of SH2030 in the future.

In what areas do you see room for growth and increased profits?

Through SH2030, we are in the process of closely evaluating and taking inventory as to exactly which resources we have, so we can better prioritize, leverage and exploit them in the years ahead.

Some of the priority areas with positive growth potential are shale gas, offshore exploration and production, as well as our commercial business. For the offshore projects, we hope to work with our partners to begin drilling by early next year to tap into our reserves.

As far as the refinery operations go, in the past, we have imported up to \$2 billion in refined products every year, so the decision was made to send our oil to a refinery for processing in order to produce our own products.

Thus, we have purchased a refinery in Italy to produce 10 million tonnes/year and are finishing up the revamping of our Algiers



Abdelmoumen Ould Kaddour, Sonatrach Chairman and Chief Executive Officer.

refinery, which, when completed at the end of this year or early next year, will produce 3.7 million tonnes per year of refined products.

We are also completing the bidding process for a new refinery in Hassi Messaoud, which is expected to produce five million tonnes per year of products.

This means that, within three years, we will have more than enough resources for our domestic market and can expect to export products to international markets as well, mainly Africa.

What role will petrochemicals play for Sonatrach?

This is a major part of our long-term business strategy. Currently, we export almost all of our products as raw materials. So, after I arrived here, we started to identify potential partners that could work with us to start a petrochemical business.

We have already signed an initial agreement with Total for the construction of a plant that will be launched on October 7, 2018, with the creation of a joint venture, and we are also working with a Turkish company to build a petrochemical facility in Turkey. So, the petrochemical business is a real priority for us, and we are making headway.

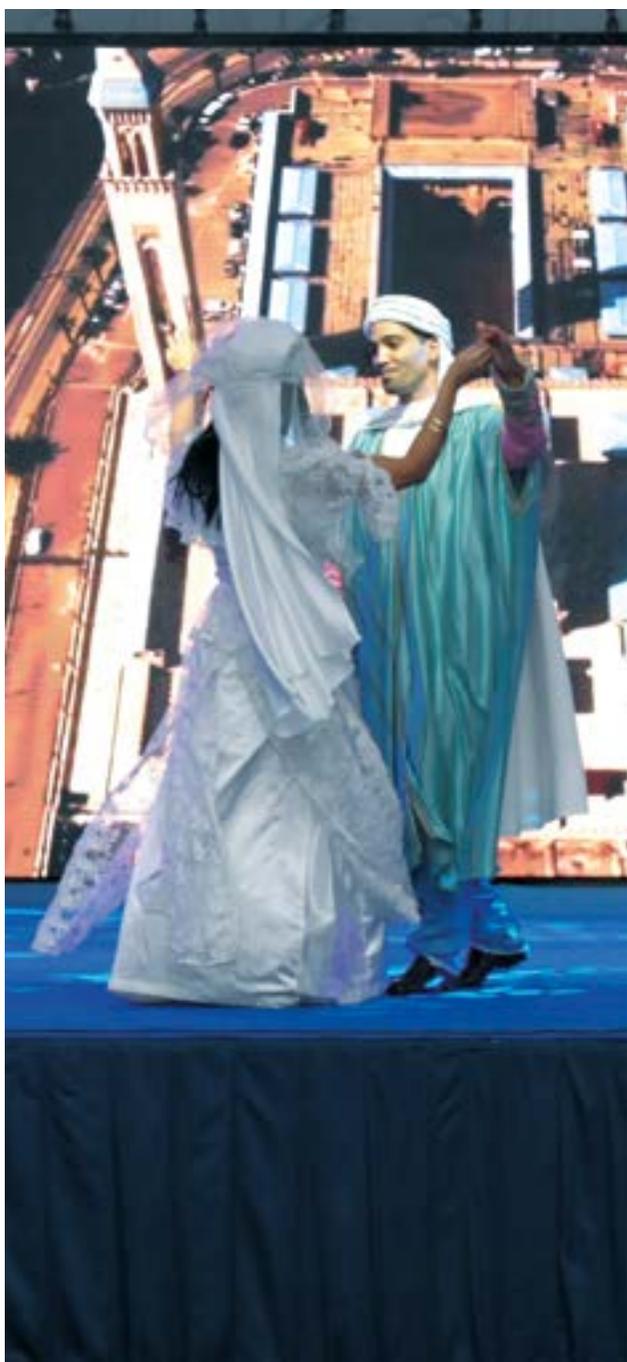
Are you active in renewables?

Yes, we are pursuing the development of renewables, especially in the area of solar energy. We have made a decision to develop solar energy so that by 2030 most, if not all, of our oil and gas fields will be powered by energy generated from solar. We, of course, will still need fossil fuels well into the future, but renewables will help us become more efficient and profitable in our operations. ■■



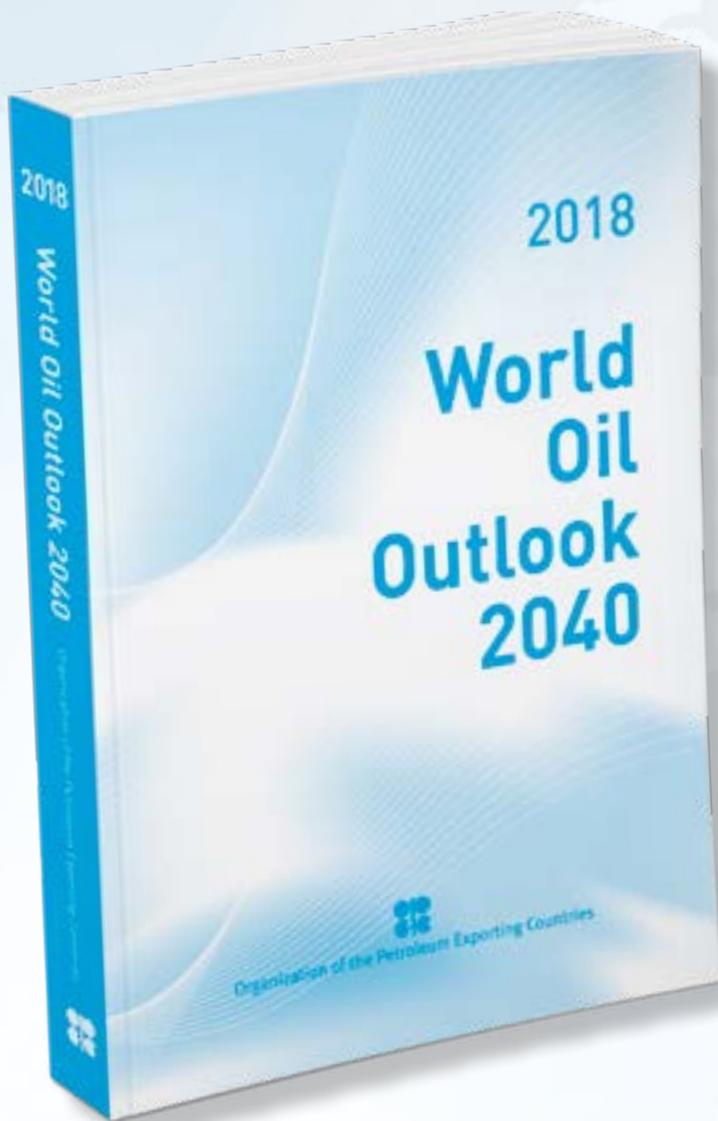
Performances of Algerian folk music and dance after the JMMC gala dinner.





OPEC launches World Oil Outlook 2018 in Algiers

Among OPEC's various objectives is the need to continually strive to provide comprehensive analysis and oil market data to energy stakeholders, as well as to the general public. Over the years this has been underscored through OPEC's monthly and annual publications, and this was prominent once again at the launch of the 2018 edition of the OPEC World Oil Outlook (WOO) in Algiers, Algeria, on September 23.



The unveiling of the WOO 2018 in Algiers was the second time we have 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 event in Algiers formed part of the celebrations to mark the second anniversary of the landmark 170th (Extraordinary) Meeting of the OPEC Conference in Algiers, from where OPEC Member Countries set forth on the path that eventually led to the 'Declaration of Cooperation' with ten non-OPEC producers on December 10, 2016.

In launching the publication, the OPEC Secretary General, Mohammad Sanusi Barkindo, said "it gives OPEC great pleasure to launch this year's *World Oil Outlook (WOO)* in Algiers, a place that we recognize as the birthplace of the historic 'Declaration of Cooperation'."

He offered the Organization's sincere thanks to Abdelaziz Bouteflika, President of the Republic of Algeria; Mustapha Guitouni, Minister of Energy of Algeria; Mohamed Hamel, Algeria's OPEC Governor; and all the team at the Energy Ministry who have provided us with the platform to launch the *World Oil Outlook*, as well as organize the tremendous meetings and events we have witnessed over the past two days."

Twelfth edition

The Secretary General noted that this was 12th edition of the *World Oil Outlook* and recalled that it when it "was first published back in 2007, my good friend, Mohamed



*Mohammad Sanusi Barkindo,
OPEC Secretary General, officially
launching the World Oil Outlook.*

Hamel, was then in charge of OPEC's Energy Studies Department.

“He was the conductor of that very first edition where it was emphasized that the *Outlook* should contribute to the Organization's commitment to support market stability and to provide a platform from which to review, analyze and evaluate various scenarios as to how the oil and energy scene may develop.”

Barkindo stressed that this guiding principle has remained central to the *Outlook* over the years, as the publication has evolved and expanded its research and analysis.

He added that it also “dovetails with the work we have been doing through the ‘Declaration of Cooperation’. It is important that we all keep in mind that the short-, medium- and long-terms are all interlinked. We cannot view any of them in isolation.”

Barkindo stated that stability today begets stability

tomorrow, which is “vital given that our industry remains a growth business, with oil continuing to be a fuel of choice for the foreseeable future.”

The *WOO* 2018 highlights the industry's various linkages, and considers developments in areas such as the global economy, energy demand, oil supply and demand, both in the upstream and downstream, policy and technology developments, and environment and sustainable development concerns. This all helps provide the framework for the *WOO*'s Reference Case, including breakdowns by region, sector and timeframe.

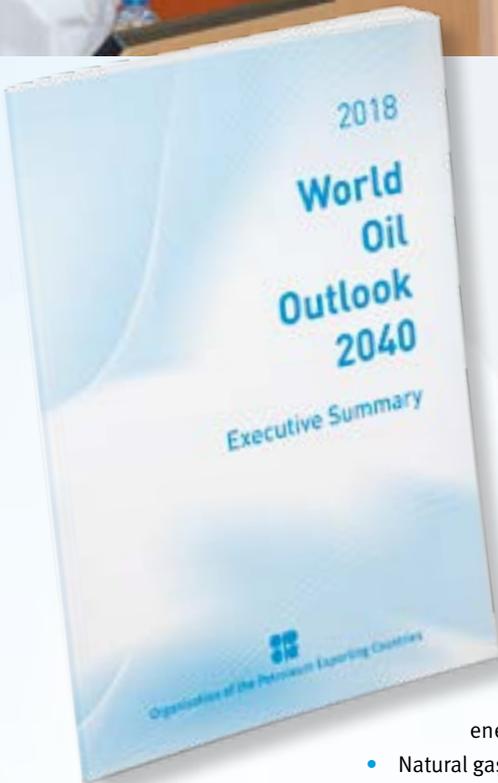
The publication highlights that it is important to stress that the *WOO* is not about making predictions. The *Outlook* should be viewed as a valuable and informative reference tool, one that underscores the Organization's commitment to data transparency, and to the enhancement of dialogue and cooperation as a means to help secure a sound and stable oil industry.



Dr Ayed Al-Qahtani, Director of OPEC's Research Division.

the second consecutive year, with total demand at over 111.7 million barrels a day in 2040.

- Demand growth is driven by non-OECD regions, which see a huge increase of around 23m b/d to 2040.
- There is no expectation for peak oil demand over the forecast period to 2040.
- Long-term demand growth comes mainly from the petrochemicals (4.5m b/d), road transportation (4.1m b/d) and aviation (2.7m b/d) sectors.
- The total vehicle fleet — including passenger and commercial vehicles — is projected to increase to around 2.4 billion in 2040.
- The majority of the growth continues to be for conventional vehicles, but the long-term share of electric vehicles in the total fleet is projected to expand and reach a level of around 13 per cent in 2040, supported by falling battery costs and policy support.
- Non-OPEC liquids supply is forecast to increase by more than 9m b/d between 2017 and 2027, with the major driver being US tight oil, but beyond this period non-OPEC supply is set to decline by around 4m b/d.
- The demand for OPEC crude is projected to increase to around 40m b/d in 2040, up from 32m b/d in 2018.
- The share of OPEC crude in the global oil supply is estimated to increase from 34 per cent in 2017 to 36 per cent in 2040.
- Global refinery additions are projected mainly in developing regions, led by the Asia-Pacific and the Middle East, but also Africa and Latin America.
- Fast evolving trade patterns for crude oil and refined products will continue to evolve, driven initially by additional flows from the US and Canada, and in the long-term by the Middle East, mostly attributed to increasing imports to the Asia-Pacific.
- In the period to 2040, the required global oil sector investment is estimated at \$11 trillion.
- OPEC remains fully engaged and supportive of the Paris Agreement on climate change, and it is vital that we collectively develop and adopt technologies, as well as all-inclusive energy policies, that transform the environmental credentials of all energies.
- Energy poverty remains a major global challenge, with almost one billion people still without access to electricity and three billion lacking access to clean fuels for cooking.



WOO highlights

Some specific highlights from this year's WOO include:

- All forms of energies will be required in the future; it is not about choosing one form of energy over another.
- Oil is expected to remain the fuel with the largest share in the energy mix throughout the forecast period to 2040.
- Total primary energy is set to expand by a robust 33 per cent between 2015 and 2040, driven predominantly by developing countries, which see almost 95 per cent of the overall energy demand growth.
- Natural gas witnesses the largest demand growth in absolute terms, and renewables the largest growth in percentage terms.
- Long-term oil demand has been revised upward for



The OPEC Research Division presents on the World Oil Outlook.

Advancing the publication

In his remarks, the OPEC Secretary General also stated that the *Outlook* has an online interactive version, first launched in 2015, that enables users to download specific data and information that lies behind the analysis and commentary. And for the first time this year, a Smart APP for the *WOO* will be made available, which will give increased access to the publication's vital analysis and energy data.

He concluded by quoting Steve Jobs, the co-founder of Apple, who said: *"Great things in business are never done by one person. They're done by a team of people."*

He said that is evidently true for the *World Oil Outlook*. "I would like to thank all the many dedicated and professional staff at the OPEC Secretariat that have worked on the *Outlook*. The fruits of their labour can undoubtedly be seen here in the publication we are launching today."

Following the launch of the *WOO 2018* in Algiers, Barkindo travelled to Madrid, Spain, to present the key messages from the publication at the plenary session of the Annual General Meeting of the Spanish Committee of the World Energy Council (CECME). *A report from this event can be found on page 44.*



OPEC Secretary General meets with Russian President Vladimir Putin during Russia Energy Week

Relations between Russia and OPEC are at an all time. The 'Declaration of Cooperation' process has shown the enormous potential of this blossoming partnership to achieve remarkable results. The 2nd Russia Energy Week, held in Moscow from October 3–6, was a further opportunity to cement the bonds of cooperation. At the helm of the event was Russian President, Vladimir Putin, who continues to tirelessly advocate oil market stability in the interests of producers and consumers. President Putin took the time to meet with OPEC Secretary General, Mohammad Sanusi Barkindo, on the margins of the event. The OPEC Bulletin reports.



Russian President, Vladimir Putin, during the opening of the Russian Energy Week.



Participants, including Russian President, Vladimir Putin (fourth r), and Khalid A Al-Falih (third l), Minister of Energy, Industry and Mineral Resources of Saudi Arabia, attend a session of the Russian Energy Week in Moscow.

The meeting between Putin and Barkindo is testimony to just how far the OPEC-Russia relationship has come. Putin took the opportunity to note the positive impact which the joint efforts between OPEC and non-OPEC producers have had on recent developments in the global oil market. Barkindo, in turn, thanked the Russian President for his strong leadership role and extensive contribution to the landmark ‘Declaration of Cooperation’.

Presidential plenary session

The Secretary General also participated in two panel sessions at Russia Energy Week, including a presidential plenary session on the first day, entitled ‘The effectiveness of energy regulation: general approaches and divergence between countries,’ which discussed the climate agenda, regulator solutions, government policy and the current technological revolution. It deliberated on topics such as how nations can limit greenhouse gas emissions; infrastructure and digitalization/electrification; along with how regulators can tackle challenges specific to each country.

Other participants at the session included Mohammed Bin Saleh Al-Sada, Qatar’s Minister of Energy and Industry; Bijan Namdar Zanganeh, Minister of Petroleum of IR Iran; Gabriel Mbagi Obiang Lima, Minister of Mines and Hydrocarbons of the Republic of Equatorial Guinea, along with Alexander Novak, Minister of Energy

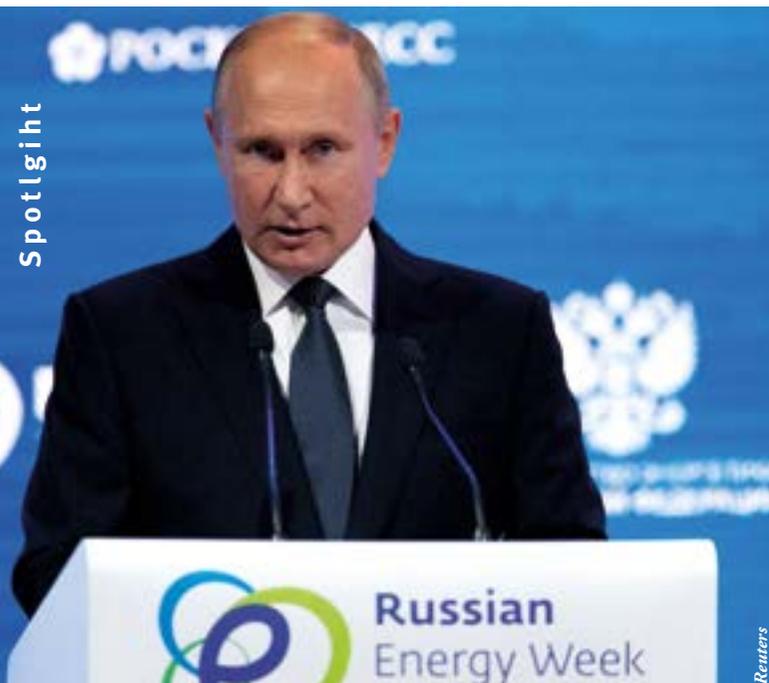
of The Russian Federation; Parviz Shahbazov, Minister of Energy of the Republic of Azerbaijan; Peter Szijjarto, Minister of Foreign Affairs and Trade of Hungary; Aleksandar Antic, Minister of Mining and Energy of the Republic of Serbia; and Viktor Karankevich, Minister of Energy of the Republic of Belarus.

WOO Presentation

Later in the day, the Secretary General introduced a presentation on the 12th edition of the OPEC *World Oil Outlook (WOO)*, stating that the rollout of the WOO in a non-OPEC country participating in the historic ‘Declaration of Cooperation’ reflects the close relationship between Russia and OPEC and the manner in which the Declaration has helped to turn around market fortunes since it came into effect at the beginning of 2017.

“One important element of ensuring sustained stability is considering the long-term picture and elements affecting oil demand 10, 20, 30 years from now. In order to maintain future stability, companies and countries need to know when, where and how much to invest in projects which will be required to meet the future needs of mankind,” the Secretary General said, adding that the WOO provides a thorough review and assessment of the global oil industry in the short, medium and long term, up to 2040.

The Secretary General emphasized that this year’s edition states



Russian President, Vladimir Putin.



Khalid A Al-Falih, Minister of Energy, Industry and Mineral Resources of Saudi Arabia.

long-term oil demand continues its upward trend to reach 111.7 million barrels/day in 2040. Total primary energy is going to grow rapidly, by 33 per cent to 2040 and all forms of energy are needed to meet future demand.

“The future looks bright for the oil industry. It remains a vital, exciting and dynamic industry, as always on the cutting edge of new technologies,” he said.

Day 2

On the second day of the event, the Secretary General set the scene in a ministerial panel session entitled ‘Global energy 2025: overcoming barriers and consolidating opportunities’, which discussed the fourth industrial revolution, technological advances, the role of the climate agenda, globalization of the fuel and energy sector, energy security, energy poverty and the future role of traditional energy.

The panel included Khalid A Al-Falih, Minister of Energy, Industry and Mineral Resources of the Kingdom of Saudi Arabia, along with Minister of Energy of the Russian Federation, Alexander Novak; President, Member of the Board of Directors and Chairman of the Management Committee of Lukoil, Vagit Alekperov; Vice-Chairman of IHS Markit, Daniel Yergin and Chief Executive Officer and Chairman of the Board of Total, Patrick Pouyanne.

Barkindo thanked the Russian Federation for its teamwork with OPEC over the past few years, particularly the role it has played in establishing and enabling the ‘Declaration of Cooperation’. He stated the answer to making the energy

transition as smooth as possible and ensuring there is enough energy to meet the future needs of mankind is “information, cooperation and investment.

“We need energy outlooks to provide a clear understanding of what the future will bring. We need to cooperate, sharing information to sharpen the picture and orchestrate responsible actions to stabilize markets. In this way, we will be able to implement the required investment, facilitating energy security and access.”

He added that all producers will be needed to meet rising demand. The WOO projects that the global economy will more than double by 2040, and the global population will increase by over 1.6 billion people to total 9.2bn. Additionally, severe energy poverty is still the scourge of billions of people on the planet, and growing demand will be compounded by the need to combat natural decline.

“And the oil industry is going to be a key player in meeting this demand, remaining the largest contributor to the global energy mix throughout the forecast period,” he said.

Investment remains a main challenge for energy security, and creating an enabling environment for investors — including reducing volatility and extremes — is essential. He stated that global security must also consider the pressing considerations affecting all, including climate change, social development and energy poverty. In addition, there are many non-fundamental factors which have a strong impact on the industry, including geopolitics, natural disasters, trade disputes, speculation and more.

The Secretary General stated that the oil industry has always been at the forefront of technological advances, and the future dual



Mohammed Bin Saleh Al-Sada (r), Qatar's Minister of Energy and Industry.



Mohammad Sanusi Barkindo (r), OPEC Secretary General, met with Vladimir Putin (l), Russian President, on the sidelines of Russia Energy Week.

challenge will be meeting rising energy demand while continuously improving the environmental footprint of all energies.

“In fact, our greatest chance to overcome barriers and consolidate opportunities is to employ exactly the approach we are already

using: working together, sharing ideas, cooperating on objectives. We can see from the outstanding success of the ‘Declaration of Cooperation’ over its nearly two years of existence, that this is exactly what the world needs.”



Russian Presidential Executive Office

OPEC bulletin 10/18

The Russian President and the OPEC Secretary General discussed current conditions in the oil market.



Mohammad Sanusi
Barkindo, OPEC's
Secretary General,
speaks at the podium.

Africa oil and power conference 2018: driving Africa's oil industry forward

*2018 has been a tremendous year for the African presence in OPEC. The Republic of the Congo became the 15th Member of the Organization; Algiers hosted commemorative events to mark the two-year anniversary of the 'Algiers Accord'; and **Mohammad Sanusi Barkindo**, OPEC's Secretary General participated in several events throughout the continent. It was very timely then, that OPEC was active at the 2018 Africa Oil and Power Conference. The OPEC Bulletin reports.*



The Conference was opened by Hon Jeffrey Thamsanqa Radebe, South Africa's Minister of Energy.

Cape Town is highly regarded as one of the premier locations for major international events. Small wonder that in 2018, for the third year running, Cape Town hosted the Africa Oil and Power Conference, which has become one of the most reputable venues for connecting Africa's top leaders in the petroleum and power sectors.

Distinguished speakers

The speakers list was a veritable who's who of leading voices from across the continent. The petroleum industry's key international organizations were represented by Dr Sun Xiansheng, Secretary General, International

Energy Forum; Mahaman Laouan Gaya, Secretary General, African Petroleum Producers' Organization; and Yury Sentyurin, Secretary General, Gas Exporting Countries Forum. Several Ministers from OPEC Member Countries were also in attendance, including: Gabriel Mbaga Obiang Lima, Minister of Industry, Mines and Hydrocarbons of Equatorial Guinea, and Jean-Marc Thystère-Tchicaya, Minister of Hydrocarbons of the Republic of the Congo. The non-OPEC partners in the 'Declaration of Cooperation' were represented by Hon Ezekiel Lol Gatkuoth, Minister of Petroleum for South Sudan.

The Conference was opened by Hon Jeffrey Thamsanqa Radebe, South Africa's Minister of Energy. The Minister



Rupiah Bwezani Banda, former President of Zambia.

welcomed delegates, and outlined the importance of the theme of the conference — ‘Energy Coalitions’ — and provided an overview of the promise of the African continent. He underscored how greater stability in the oil market allowed for greater planning and making informed investment decisions.

Rupiah Bwezani Banda, former President of Zambia, spoke on various topics, including the importance of sustainable development for improving domestic capacity; means of improving electricity access for all; and creating enabling fiscal regimes and financial institutions. Gabriel Mbaga Obiang Lima outlined the importance of improving local content and direct investment opportunities in operations. Jean-Marc Thystère-Tchicaya provided an update on measures being taken to reform the tax and legal environment to improve the investment climate.

Keynote address

In his keynote remarks at the beginning of the event, OPEC’s Secretary General, Mohammad Sanusi Barkindo, provided an update on current conditions in the market,

highlighting the positive impact of the ‘Declaration of Cooperation’ and the important role of Africa for the industry’s future. In describing conditions in the oil market since 2014, the Secretary General noted, “Our industry has been on a remarkable journey during this period; it has undertaken profound changes; witnessed sobering lows, followed, thankfully, by dizzying heights. We have seen geopolitical events of immense significance, the development of new technologies and the breathtaking emergence of unexpected actors. And this has had significant repercussions, here in Africa; a continent brimming with promise in terms of economic development and investment opportunities.”

Unique role of Africa

The Secretary General paid tribute to the unique role Africa has played in OPEC’s history, stating “African countries have historically assumed strong, pro-active leadership roles in OPEC ... Indeed, the idea for our Organization was conceived in Africa, specifically Egypt. It was at the Cairo Yacht Club in 1959 that the Gentleman’s Agreement was forged which paved the way for the establishment of



Gabriel Mbaga Obiang Lima, Minister of Industry, Mines and Hydrocarbons of Equatorial Guinea.

OPEC in Baghdad in September 1960.” He described the enormous value of the contributions of OPEC Members Algeria, Angola, Congo, Equatorial Guinea, Gabon, Libya and Nigeria to the betterment of the Organization. Sudan and South Sudan played very important roles throughout the ‘Declaration of Cooperation’ process. Chad, Egypt, Uganda and South Africa have also attended OPEC Ministerial Conferences and OPEC/non-OPEC Ministerial Meetings.

The Secretary General was emphatic about the conclusions which could be drawn, stating, “These facts show that not only is the African presence in OPEC thriving but also that we have an extremely productive and fruitful relationship with non-OPEC African countries and partners.”

Energy coalitions and stakeholder cooperation

The theme of the Africa Oil and Power Conference 2018, namely ‘Energy coalitions’, is extremely pertinent to OPEC’s work over the last few years. The Secretary General stated: “Given the multitude of changes in our sector, the need for international cooperation is greater than ever. As an intergovernmental organization, faith in multilateralism is integral to OPEC’s DNA. Our experience over the last two years has demonstrated the enduring capacity of collaboration among nations to surmount the greatest of challenges.”



Jean-Marc Thystère-Tchicaya, Minister of Hydrocarbons of the Republic of the Congo.



L–r: Yury Sentyurin, Secretary General, Gas Exporting Countries Forum; Mahaman Laouan Gaya, Secretary General, African Petroleum Producers’ Organization; and Dr Sun Xiansheng, Secretary General, International Energy Forum.

The Secretary General then outlined the context to the ‘Declaration of Cooperation’ and the transformational impact it has had on the global oil market, saying “it has caused a significant change in industry-wide and public perceptions of OPEC. The Organization has repeatedly demonstrated its credentials as a body committed to international cooperation, working with other producers, honouring its commitments and promoting mutual respect among all nations.”

It is an impact which is vividly demonstrated through the numbers. The OECD commercial stock overhang above the five-year-average has been reduced by more than 370 million barrels since the ‘Declaration of Cooperation’ came into force, and switched to a deficit of around 41m b in July 2018.

Positive forces in the oil market

In concluding his address, the Secretary General spoke about the differing forces which operate in the global oil industry. “It often may appear that our industry is subject to forces beyond our control. Geopolitical events, natural catastrophes, technological breakthroughs or other critical uncertainties: we are all aware of the impact they can have.”

While these forces can often appear daunting, the Secretary General encouraged all to not lose hope. “There is another force alive and well in our industry. This force



Hon Ezekiel Lol Gatkuoth, Minister of Petroleum for South Sudan.

exists in the desire of producers, consumers and investors, ordinary women and men throughout the world, to have sustainable stability in the oil market,” the Secretary General said. He continued, “This force thrives in the hearts and minds of decision makers who know that cooperation, collaboration and team-work remain the most effective problem-solving techniques this industry



Mohammad Sanusi Barkindo, OPEC's Secretary General, answering questions from the press.

or indeed any industry knows. This force underpins the 'Declaration of Cooperation' and encourages other stakeholders, many of whom are in this room, to lend their support to this noble cause."

Bilateral with South Africa Minister of Energy

On the margins of the meeting, the Secretary General had the opportunity to meet with the Hon Jeffrey Thamsanqa Radebe, South Africa's Minister of Energy. The Secretary General thanked the Minister for graciously hosting Africa's Oil and Power Conference 2018 and stressed the importance of building good relations across the African continent. Both parties underscored the growing relations between OPEC and South Africa and means of enhancing them. The Secretary General thanked the Minister for South Africa's attendance at the 4th OPEC and non-OPEC Ministerial Meeting which took place on June 23, 2018, as well as the OPEC Seminar and the OPEC/non-OPEC technical meeting. They also discussed a number of other issues, including the current oil market situation.

Forum for discussion

The Africa Oil and Power Conference 2018, like its predecessors, demonstrated why it is regarded as one of the great events in the industry calendar. As the importance



The OPEC stand at the 2018 Africa Oil and Power Conference.

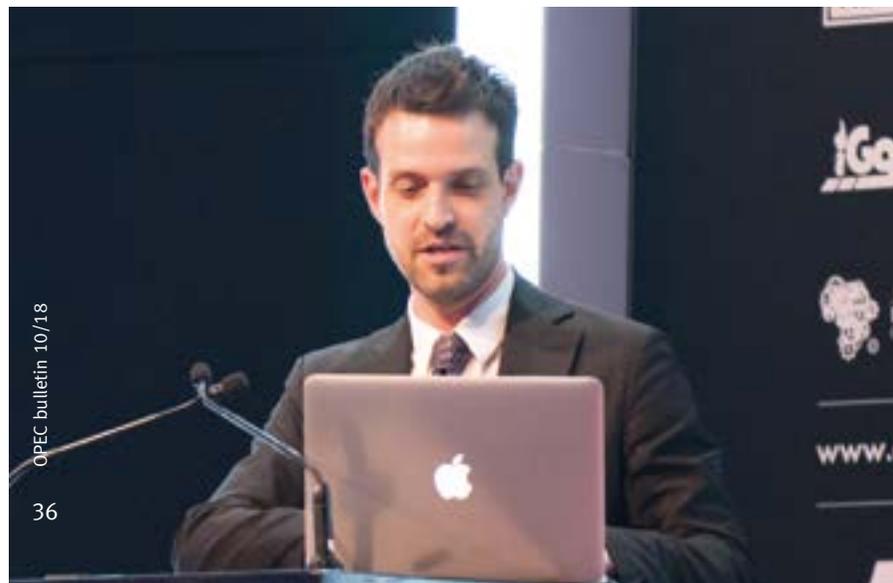
of the African continent continues to increase, matters relevant to the industry will need to be discussed across a broad range of forums. OPEC was delighted to participate in the Conference, as well as having had the opportunity for holding meetings with the South African Minister and officials, and looks forward to doing so again in future years. ■■

Africa oil man of the year: Mohammad Sanusi Barkindo

Mohammad Sanusi Barkindo, OPEC Secretary General, was presented with the ‘Africa Oil Man of the Year’ Award at the Africa Oil and Power Conference 2018, in Cape Town, South Africa in early September. The Award recognized the pivotal role the Secretary General played in the adoption and ongoing implementation of the ‘Declaration of Cooperation’, as well as his commitment to enhancing OPEC’s engagement with Africa. The OPEC Bulletin reports.



Dr Sun Xiansheng, Secretary General, International Energy Forum.



Africa oil and power energy coalitions dinner

The award ceremony took place during the inaugural ‘Africa Oil and Power Energy Coalitions Dinner,’ the first official gathering of major stakeholders representing the entirety of Africa’s energy value chain. It followed a day of active participation by OPEC at the Conference, with the Secretary General also delivering a keynote address.

Gabriel Mbagi Obiang Lima, Minister of Industry, Mines and Hydrocarbons of Equatorial Guinea and Chairman of Africa Oil and Power’s Advisory Board, paid tribute to the Secretary General saying: “The OPEC Secretary General has demonstrated remarkable leadership in steering OPEC through difficult times and proving to everyone again that if you want to go far, you go together. He has been an enormous champion of African countries and giving them a voice to help stabilize oil markets. We congratulate him on this prestigious award.”

Guillaume Doane, CEO of Africa Oil and Power, endorsed such sentiments, saying: “In times of volatility and uncertainty, the industry needs leaders who ensure cooperation between strong and vital energy institutions. In this context, Barkindo is the perfect recipient of the Africa Oil Man of the Year Award, as he has led the global oil industry through truly historic collaborative efforts

Guillaume Doane, CEO of Africa Oil and Power.

Mohammad Sanusi Barkindo, OPEC’s Secretary General, receiving the ‘Africa Oil Man of the Year’ award from Rupiah Bwezani Banda (r), former President of Zambia.





Mohammad Sanusi Barkindo, OPEC's Secretary General, Africa 'Oil Man of the Year'.

that resulted in unprecedented unity amongst producing countries. We are honoured to present him this award.”

Teamwork

On accepting the award, the OPEC Secretary General was keen to emphasize the important role of teamwork throughout the negotiation and subsequent implementation of the ‘Declaration of Cooperation’. “I interpret this Award as recognition of the teamwork, dedication and selflessness of a remarkable group of countries: namely, the ‘Declaration of Cooperation’ strategic partners. Working with the statesmen, leaders and representatives of the OPEC Member Countries and the non-OPEC producing countries has been the honour of a lifetime. Thankfully, our tireless efforts have borne fruit and our

industry is in a much healthier place than it was two years ago.”

Importance of Africa

The Secretary General noted an important characteristic of OPEC’s great, recent rejuvenation. “It is no coincidence that this has occurred at the same time as an intensification of OPEC’s engagement with Africa. African Membership of both OPEC and the ‘Declaration of Cooperation’ strategic partnership has increased, and other African partners engage with us across a broad range of fronts, including through their attendance at the OPEC/non-OPEC Ministerial Meetings,” he said. This is indeed a true reflection of the continent’s great potential for growth, expansion opportunities in the energy sector,



and collaborative dialogue and commitments in the international energy scene.

Nelson Mandela

The Secretary General rightly considered being in South Africa in 2018 a great honour, given that it is the centenary of Nelson Mandela's birth. He outlined how much of an inspiration Madiba has been on his career. "When we began the 'Declaration of Cooperation' journey in 2016, many doubted that we could achieve our goals. The health of the industry was such that some thought oil market stability would remain elusive forever. However, throughout our endeavours, we were inspired by the eloquent words of one of this magnificent nation's greatest

leaders and my personal hero, Nelson Mandela: *A winner is a dreamer who never gives up. After climbing a great hill, one only finds that there are many more hills to climb. Sometimes it falls upon a generation to be great ... May it be our generation!*"

Cooperation

Cooperation has been the watchword of OPEC's activity over the last three years and Barkindo emphasized this, saying "I accept this Award on behalf of all of those participating countries, both OPEC and non-OPEC, who have done so much to transform the fortunes of our industry. And I dedicate it to all the hard working people representing those countries, in particular my colleagues at

OPEC Secretariat staff prepare to express their congratulations to the Secretary General for the award.

the OPEC Secretariat, for the outstanding work they have performed in the last two years. It would not have been possible without their hard work, commitment to duty and the striving for excellence at all times. Looking to the future, OPEC will never cease to advocate for cooperation, collaboration and fraternity among nations as the best solutions to overcoming challenges, for as the old African proverb teaches us: If you want to go fast, go alone. If you want to go far, go together.”

Outstanding career

Throughout Mohammad Sanusi Barkindo’s long career, there have been several central themes: an infectious passion for the petroleum industry; an unwavering belief in oil’s poverty eradicating potential; a steadfast commitment to sustainable development and, most fundamentally of all, treating everyone with respect and kindness.





Mohammad Sanusi Barkindo (l), OPEC's Secretary General, receiving congratulations from Gabriel Mbaga Obiang Lima (c), Minister of Industry, Mines and Hydrocarbons of Equatorial Guinea; and Jean-Marc Thystère-Tchicaya (r), Minister of Hydrocarbons of the Republic of the Congo.

These values and passions have proven invaluable throughout a journey which began in Yola, in Adamawa State in Nigeria, and led Barkindo to assume one of the highest offices in the hydrocarbon world — OPEC Secretary General in August 2016.

For more than 23 years, Barkindo worked at the Nigerian National Petroleum Corporation, culminating in his appointment as Group Managing Director and CEO in January 2009. Barkindo was also Deputy Managing Director of Nigerian Liquefied Natural Gas, as well as Special Advisor to former Minister of Petroleum Resources and OPEC Secretary General, Dr Rilwanu Lukman.

Environmental champion

Barkindo's name is also synonymous with advocacy of the international climate change initiative. He led Nigeria's technical delegations at the negotiations that produced the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol. He served as Chair of the Group of 77 and China at the UNFCCC and was elected as Vice President of the Conference of the Parties for three terms. Barkindo was Chairman of the OPEC Task

Force at the 15th session of the UN Commission on Sustainable Development.

International collaboration

Barkindo has been a tireless proponent of international cooperation. This faith has been vindicated as the 'Declaration of Cooperation' strategic partnership has demonstrated the enduring capacity of collaboration among nations to surmount the most daunting of obstacles.

In this regard, he has been keen to see an expanded African presence in OPEC. In June 2018, following intensive diplomacy on Barkindo's part, the Republic of the Congo became the 15th Member Country of OPEC. This followed a positive trajectory which saw Gabon rejoin OPEC in 2016 and Equatorial Guinea join in 2017, all during Barkindo's tenure.

Despite the attainment of so many heights in his glittering career, Barkindo has remained a man of great humility and decency; treating everyone, irrespective of rank or office with dignity and courtesy. He is a trailblazer widely admired and respected throughout the globe, and a visionary leader who can guide OPEC towards a new, glorious chapter in its history. 

Secretary General's mission to the United Arab Emirates:

The Conference Presidency continues to inspire



Mohammad Sanusi Barkindo,
OPEC's Secretary General.

The United Arab Emirates has historically played an important role as a conciliator, a bridge builder and a consensus broker since becoming a member of OPEC in 1967. These skills have been extremely apparent throughout 2018, as the country has held the position of President of the OPEC Conference. In September, Mohammad Sanusi Barkindo, OPEC's Secretary General took the opportunity to attend several high-level events in Dubai and Fujairah, all attesting to the Emirati contribution to the 'Declaration of Cooperation' process. The OPEC Bulletin reports.

Brooge Petroleum and Gas Investment Co (BPGIC) project launch, Dubai

The first engagement on the Secretary General's itinerary was in Dubai. At the event, BPGIC announced plans to float 40 per cent of its capital on the London Stock Exchange in October. The IPO comes on the back of BPGIC plans to increase storage capacity for crude and oil products at the Fujairah oil hub. BPGIC was set up in 2013 and has evolved into one of the largest holders of storage assets in Fujairah. According to the Company's press release at the time of the announcement, "It completed the first phase of 400,000 cubic metres of storage across 14 tanks for middle distillates and fuel oil in October and began operations in January 2018."

The Secretary General used the opportunity to emphasize the critical need for increasing investments in the industry. This is particularly highlighted in the WOO 2018, which was launched in September (*see page 22*). According to the WOO, in the period to 2040, the

required global oil sector investment is estimated at \$11 trillion. "We must be able to continue to attract the required investment," Barkindo said at the event launch. "Going forward, we must focus on continued investments across the energy supply chain."

Special award

Brooge CEO and Vice Chairman, Housam Celman Elemri, provided Barkindo with a special award for his tireless efforts to promote sustainable market stability. A video was screened highlighting the major accomplishments in Barkindo's career, as well as the important contribution the United Arab Emirates has made to OPEC throughout its history. The tribute video highlighted Barkindo's journey from Yola to Vienna, where he has ascended the highest summit in the hydrocarbon world: OPEC Secretary General in August 2016. It also emphasized his international personality; his work on the climate change initiative and his championing of international cooperation.

The Secretary General was delighted to receive the award which was modelled on a ship, a symbol of the interrelated destinies of the oil and maritime industries.

Gulf Intelligence Energy Markets Forum 2018

Barkindo then moved from Dubai to the port city of Fujairah, Fujairah Emirate. Here, he participated as a special guest at the 8th Energy Markets Forum 2018, organized by Gulf Intelligence. The forum focused on global oil and gas trade flows, and China's Belt and Road Initiative in relation to evolving energy trading patterns, as well as the impending IMO 2020 regulations and their market implications. In addition to attending the leadership roundtable breakfast, Barkindo participated in a question and answer forum, where he outlined the transformative impact which the 'Declaration of Cooperation' has had on the international oil industry.

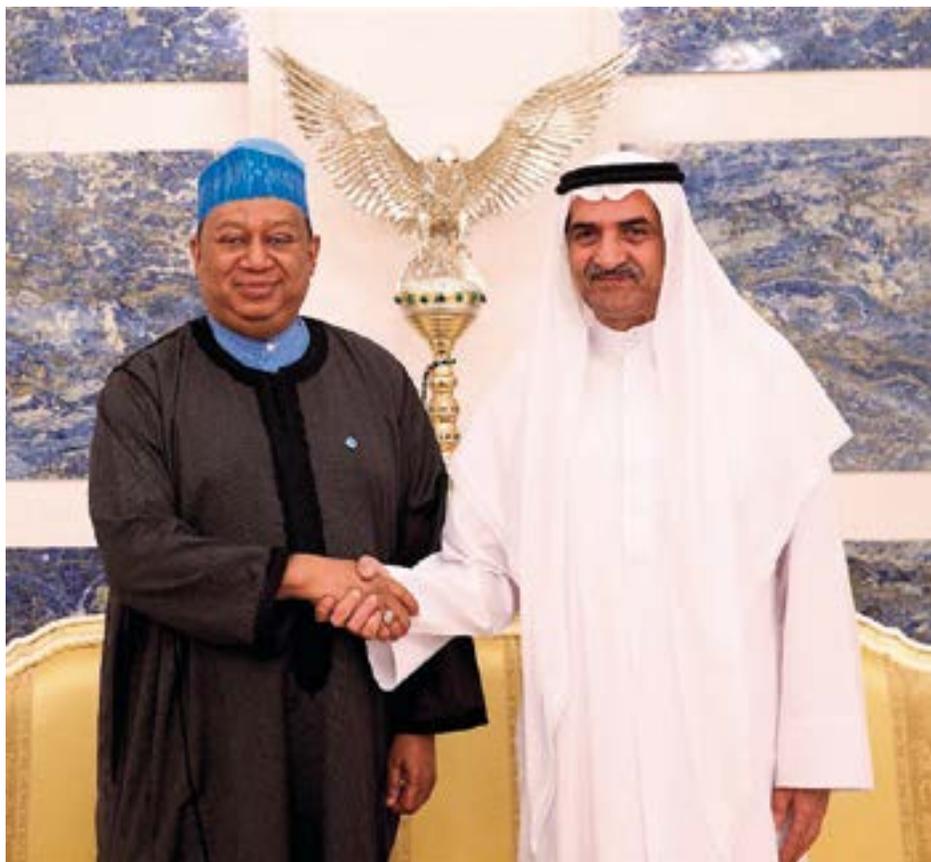
"The impact and success of this cooperation has exceeded even our most hopeful expectations, and we believe it has an important role to play in the future of this industry. Indeed, this innovative framework for dialogue and cooperation has now become a permanent fixture of the international oil industry," said Barkindo.

"The 'Declaration of Cooperation' has evolved from a noble vision to a transformative force for good, a permanent feature of the energy landscape — one that has had a profoundly positive impact on the global oil industry," continued Barkindo.

He stressed: "This unprecedented partnership between OPEC and non-OPEC participating countries has brought about a much needed stability in the market after two years of volatility and very tough market conditions. The resulting newfound confidence and sense of optimism throughout our industry have helped bring back industry investment in longer-term projects. This trend must continue if we intend to meet the rising future demand requirements."

An audience with Sheikh Hamad Bin Mohammed Al Sharqi

Following the Forum, the Secretary General had an audience with HH Sheikh Hamad Bin Mohammed Al Sharqi, Member of the Supreme Council and Ruler of the Emirate of Fujairah. Barkindo praised the great accomplishments in the Emirate of Fujairah, and lauded the wisdom of the UAE's leadership. He also commended the success of the transformation of the sea port of Fujairah, which has become a premier hub for bunkering, oil storage and trading activities. Barkindo used the audience as an opportunity to praise the outstanding role of the United Arab Emirates throughout its presidency of the OPEC Conference.



Mohammad Sanusi Barkindo, OPEC's Secretary General (l), during the audience with HH Sheikh Hamad Bin Mohammed Al Sharqi (r), Member of the Supreme Council and Ruler of the Emirate of Fujairah.

Fujairah Free Zone Authority

Barkindo then visited the Fujairah Free Zone Authority. He received a briefing from Sharif Habib al-Awadhi, Director-General of the Fujairah Free Zone Authority, on the Zone's most significant investment projects, the services and facilities offered to investors and investment opportunities available in the Emirate.

The Secretary General expressed his appreciation for the hospitality and praised the successes of the United Arab Emirates in its role as Conference President in 2018. He commended the Emirate of Fujairah for investing in the empowerment of human resources. He encouraged Free Zone Authority employees to avail of the opportunities provided by the Government of the UAE.

Successful mission

The Mission allowed the Secretary General to celebrate the strong relationship between the OPEC Secretariat and the United Arab Emirates. 2018 was always going to be a challenging year for the OPEC Presidency, with the world's attention firmly on OPEC as it continued to implement the 'Declaration of Cooperation.' However the UAE has been inspirational in how it has risen to task. This Mission has reinforced this productive relationship.





Mohammad Sanusi Barkindo, OPEC Secretary General (l); and Iñigo Díaz de Espada, Chairman of the Spanish Committee of the World Energy Council.

OPEC Secretary General talks energy outlooks in Madrid

Mohammad Sanusi Barkindo, OPEC Secretary General, delivered a keynote speech at the annual event of the Spanish Committee of the World Energy Council (CECME) at the CEPSA Tower in Madrid on September 25, 2018. The main focus of the speech was the key messages from the recently released World Oil Outlook (WOO) 2018. The OPEC Bulletin reports.

In front of a packed auditorium at the CEPSA Tower in Madrid, Mohammad Sanusi Barkindo, OPEC Secretary General, proffered the Organization's latest thoughts on global energy outlooks, energy transitions and the landmark 'Declaration of Cooperation' between 25 OPEC and non-OPEC producers.

The Secretary General began by thanking Iñigo Diaz de Espada, the Chairman of the CECME and Chair of the session. Barkindo stated that "OPEC has always been a strong and positive supporter of the World Energy Council, and I am extremely honoured to be speaking here to such a distinguished gathering."

He fondly recalled that one of his first speaking engagements as OPEC Secretary General was at the 23rd World Energy Congress in Istanbul in October 2016.

Barkindo also offered "thanks to my great friend, Suhail Mohamed Al Mazrouei, the Minister of Energy & Industry of the United Arab Emirates — where the 24th World Energy Congress will take place — and the President of the OPEC Conference. He was a key initiator behind my participation today.

"Suhail has also been a skillful advocate for OPEC during his tenure as OPEC President, helping push the Organization's objectives at events such as this one, as well as through the historic 'Declaration of Cooperation'."

In talking about the 'Declaration', the Secretary General stressed that it has focused on restoring a sustainable stability to the industry through what he termed "innovative and ground breaking cooperation."

He added that the impact of the cooperation has exceeded even the most optimistic projections, with the combined efforts having "helped accelerate the return of balance to the global oil market, return much needed optimism to the industry, with investments now gradually picking up, and it has had a positive effect on the global economy and trade worldwide."

Moreover, he noted, "it has also led to a significant change in industry-wide and public perceptions of OPEC. The Organization has ably demonstrated its credentials as a body committed to international cooperation, and honouring its commitments and promoting mutual respect among all nations."

He stressed that the 'Declaration' is now a permanent

feature of the global energy scene, establishing a novel framework for producing countries, whilst also taking into account the vital interests of consumer countries, as well as the global economy.

"The importance of these recent developments," he added, "is clearly vital across all timeframes. While the focus for many is obviously on the short-term, we need to recall that the short-, medium- and long-terms are all interlinked. We cannot view any of them in isolation."

With this in mind, the Secretary General shared with the audience the key elements of OPEC's WOO 2018, which he said is "very much hot off the press" having been launched in Algiers only two days previous.

The following is the remainder of the speech delivered by the Secretary General.

OPEC's World Oil Outlook

"The *World Oil Outlook* aims to bridge the linkages between the various timeframes to enable the Organization to share its views and analysis of global oil and energy markets.

It was the great Spanish artist, Salvador Dali, who said: "*He who wants to interest others must provoke them.*"

It is with this thought that I am here today, as I present the findings of our 2018 Outlook as a means to stimulate discussions, stir debate and hopefully foster knowledge-sharing.

I think we all appreciate that the future is one laden with challenges and uncertainties, but also many opportunities. There will no doubt be areas where we

"We need to recall that the short-, medium- and long terms are all interlined. We cannot view any of them in isolation."

— Mohammad Sanusi Barkindo

may all agree, as well as areas where there will be divergences.

I very much welcome your feedback, and your questions. Please feel free to provoke me!

The theme of today's event relates to energy futures and energy transitions.

It is evidently an extremely timely and relevant theme given that there is currently much talk of the 'energy transition'. In this regard, it is important to ask the question: what does this actually mean for the energy mix, and for people around the world?

Today, we hear media reports of a future world of only renewables, where electrification will come to dominate the transportation sector, and where fossil fuels are set to be consigned to history.

All of these statements offer an extremely misleading view. It is important that we all look beyond the headlines, and bring some analysis and perspective to our energy future.

What is clear is that the world will need more energy in the decades to come. It is easy to appreciate why.

In OPEC's *World Oil Outlook*, the size of the global economy in 2040 is estimated to be more than 200 per cent that of 2017. And over the same timeframe, global population is projected to reach around 9.2 billion, an increase of over 1.6bn from today's level.

We should also not forget that today around three billion people lack access to clean fuels and efficient technologies for cooking, and almost one billion are still

without access to electricity. It is vital that this is addressed.

Energy access is not a luxury; it has to be seen as a necessity. There is huge potential for socio-economic development in terms of expanding access to modern energy services.

We expect global energy demand to increase by a robust 33 per cent between 2015 and 2040, which is driven predominantly by developing countries, which see almost 95 per cent of the overall growth.

Energy will be required to power more homes, more services, more businesses, more cars, more planes, more ships, more technologies ... I could go on.

At the same time, however, we need to recognize the threat posed by climate change to our environment. Let me stress here that OPEC remains fully engaged and supportive of the Paris Agreement.

We firmly believe that a global consensus from the multilateral process remains the best and most inclusive way for all nations to collectively mitigate or adapt to the impacts of climate change based on the core principle of 'common but differentiated responsibilities' in a fair and equitable manner.

Thus, our 2018 Outlook underscores that OPEC is fully aware of the dual challenge of meeting growing energy demand, while constantly improving the environmental footprint of all the energies we use.

To put it simply, the basic energy challenge can be summed up in two questions.

The first is how can we ensure there is enough supply to meet expected future demand growth?

And the second is how can this growth be achieved in a sustainable way, balancing the needs of people in relation to their social welfare, the economy and the environment?

Oil to remain critical part of energy mix

What the Outlook emphasizes is that all energies are required. It is not about choosing one energy source over another.

In fact, the Reference Case for this year's Outlook sees all energy sources expanding over the entire forecast period, except coal that peaks around 2030.

Nonetheless, it is vital we appreciate just what each

energy source provides today, and what they can provide in the decades ahead.

There is no doubt that renewables, such as solar and wind, will continue to significantly expand their role. They are expected to have the highest average growth rate of around 7.4 per cent per annum over the period to 2040, although it is important to remember their current low base.

OPEC Member Countries recognize and support the development of renewables. Many of our countries have great sources of solar and wind, and significant investments are being made in these fields.

Nuclear is also expected to witness some expansion in its share of the global energy mix, and biomass and hydropower are forecast to maintain their shares in the years ahead.

Overall, these renewable energies and nuclear are expected to increase their share in the energy mix from around 18 per cent in 2015 to about 25 per cent by 2040.

The upshot of this is that all of the three current main primary sources of energy — oil, gas and coal — are still anticipated to supply about three-quarters of the energy mix by 2040. Oil is expected at around 28 per cent, with gas at 25 per cent, and coal at just over 22 per cent.

From the perspective of oil and gas, it underscores the fact that they will remain central to supplying the growing global population with the critical energy it needs in the decades ahead.

Of course, you may say to me, well you would say this — you are the OPEC Secretary General. But I am also a realist. I do not see any outlook predicting that other energies will come close to overtaking oil and gas in the decades ahead.

In terms of oil, specifically, I think the key message from our Outlook is that there is no doubt that oil will remain a fuel of choice for the foreseeable future.

We see oil demand increasing by around 14.5 million barrels a day between now and 2040 to reach close to 112m b/d. Moreover, this is the second consecutive year we have raised our oil demand numbers for 2040.

I would also like to dig a little deeper into oil demand in our Outlook to look at some of the sectors driving this growth, as well as highlight the potential impact of electric vehicles.

In terms of sectors, transportation remains the major incremental demand driver to 2040, with expectations for an increase of more than 8m b/d, mostly in the road transportation sector, which sees growth of 4.1m b/d.

As you would expect, this demand growth is driven by the expected increase in the total vehicle fleet for passenger and commercial vehicles. This is projected to increase by over 1.1 billion vehicles to hit close to 2.4bn in 2040.

Here, it is important to underscore that the majority of

“I do not see any outlook predicting that other energies will come close to overtaking oil and gas in the decades to come ... There is no doubt that oil will remain a fuel of choice for the foreseeable future.”



“When thinking about our energy future, particularly when viewing it from the industrialized world, we need to remember how important oil and gas have been to their past. They have transformed their economies and their societies.”

the growth continues to be for conventional vehicles. Nonetheless, the Outlook does see the long-term share of electric vehicles in the total fleet expanding and reaching a level of around 13 per cent in 2040, supported by falling battery costs and policy support. For all alternative fuel vehicles, the figure is 18 per cent.

While this is certainly an impressive expansion for electric vehicles, given that levels were well below one per cent in 2017, it does need to be placed in the context that conventional vehicles, including hybrids, are still expected to make up 82 per cent of the vehicle fleet by 2040.

While there are various sensitivities that could shift these numbers, both upward and downwards, there is a message to be derived from this.

Conventional vehicles will remain the mainstay of the road transportation sector, and I should add there are clearly possibilities to further improve the efficiencies of these engines and the fuels they use.

It is also important to note the expected oil demand growth in the petrochemicals sector, which for the first *World Oil Outlook* sees more growth than in the road transportation sector over the forecast period to 2040.

Global demand in this sector is estimated to expand by 4.5m b/d by 2040. The largest increase is projected for developing countries, most notably Asian countries and OPEC Member Countries, driven by demand for petrochemical products and the availability of feedstock in these regions.

On the supply side, non-OPEC is set to increase supply by more than 9m b/d between 2017 and 2027, with the major driver being US tight oil, but there are also significant additions from Canada, Brazil and Kazakhstan.

Growing oil demand

In fact, global tight oil supply is set to grow to over 15m b/d by the second half of the 2020s, thus making up almost a quarter share of non-OPEC supply at its peak.

Beyond this period, however, non-OPEC supply is set to decline by around 4m b/d, chiefly due to losses in US tight oil production, as well as depletion in other regions, such as the Asia-Pacific, North Sea and Latin America.

It means that in the long-term, the demand for OPEC crude is projected to increase to around 40m b/d in 2040, up from 32m b/d in 2018.

The share of OPEC crude in the global oil supply is estimated to increase from 34 per cent in 2017 to 36 per cent in 2040.

To meet the expected global expansion will require huge investments. We also need to consider that new barrels are needed not only to increase production, but to accommodate for decline rates from existing fields. Oil-related investment requirements across the upstream, midstream and downstream are estimated at around \$11 trillion in the period to 2040.

On a positive note, we have seen investment picking up again this year, after the significant downturns witnessed in 2015 and 2016. However, we need to remain watchful and vigilant to ensure the necessary future investments are made.

It is important to remember that the foundation for investment and growth can only come through balance and stability in the market. It is always worth recalling that long-term security of supply is intrinsically linked to short-term conditions.

In this regard, OPEC Member Countries remain fully committed to investments across the whole industry value chain, and the issue of returning global investments is a core focus of the ‘Declaration of Cooperation’.

When thinking about our energy future, particularly when viewing it from the industrialized world, we need to remember how important oil and gas have been to their past. They have transformed their economies and their societies. They have provided heat, light and mobility. They have created and sustained economic growth and prosperity.

However, we should not forget that this has not been the story for everyone.

When we start up our cars, switch on our modern cookers, turn on a light, we need to recognize that these everyday things are still unknown to billions of people across the world who continue to suffer from energy poverty.

These are people that need their voices heard. They

need access to reliable, safe and secure modern energy services at scale.

Of course, the economics of wanting more, coupled with growing populations and rising energy demand, has created challenges that were not foreseen when Thomas Edison was developing the light bulb, or when Henry Ford was mass producing the car.

I am talking here about the environmental challenge. In this regard, we need to recognize that the issue is not oil and gas themselves. The challenge is the emissions that come from burning them.

It is a challenge we need to face head on. And I believe it is a challenge that can be overcome. Given what I have already said, it would be wrong of us to dismiss oil and gas as part of the past. I am a believer that solutions can be found in technologies that reduce and ultimately eliminate these emissions.

We need to continually look to develop, evolve and adopt cleaner energy technologies, as well as all-inclusive and non-discriminatory energy policies, that enable us to meet the expected future energy demand, in a sustainable manner.

One word I have uttered on many occasions over the past two years is central to all this. That word is 'cooperation'.

Cooperation

The 'Declaration of Cooperation' has shown what can be achieved through collaboration in challenging times. It helped turn the tide of the oil market, and we now see calmer waters.

However, this kind of cooperation needs to be undertaken not only in times of instability, but also when the market is stable and balanced. Dialogue is vital at all times.

Over the years OPEC has pushed many forms of energy cooperation, including dialogues with the European Union, Russia China and India, symposia and workshops with the IEF and the IEA, various initiatives with the G20, and meetings with other industry stakeholders.

In this regard, we look forward to meeting the European Commissioner for Energy, Miguel Arias Cañete, and his team later this year through the EU-OPEC Energy Dialogue, to discuss a variety of issues, including the future energy mix, policies and technologies.

Of course, I cannot stand here and say dialogue will

mean we find agreement on everything. We do not live in a perfect world. But it is important for all stakeholders to look for shared and realistic solutions, where and when appropriate.

In terms of talk of an 'energy transition', I think it is important to leave you with a few key messages:

- The future of energy will require all energy sources to meet rising demand. It is not about choosing one energy source over another. It is vital that we lay out a practical and realistic future energy path, and appreciate what each energy source can deliver.
- Oil and gas are expected to still meet over 50 per cent of the world's energy needs in 2040.
- It is vital that we continue to improve energy efficiency and develop cleaner energy technologies.
- And we need to ensure that energy is made available to all of the world's citizens. This entails a transition to a more inclusive world in which every person has access to energy — whether young or old, whether poor or rich. We want to see a world where no one is left behind.”



World Heritage Sites

*Al Qarah cave,
in Al-Ahsa,
Saudi Arabia.*

Wikimedia Commons

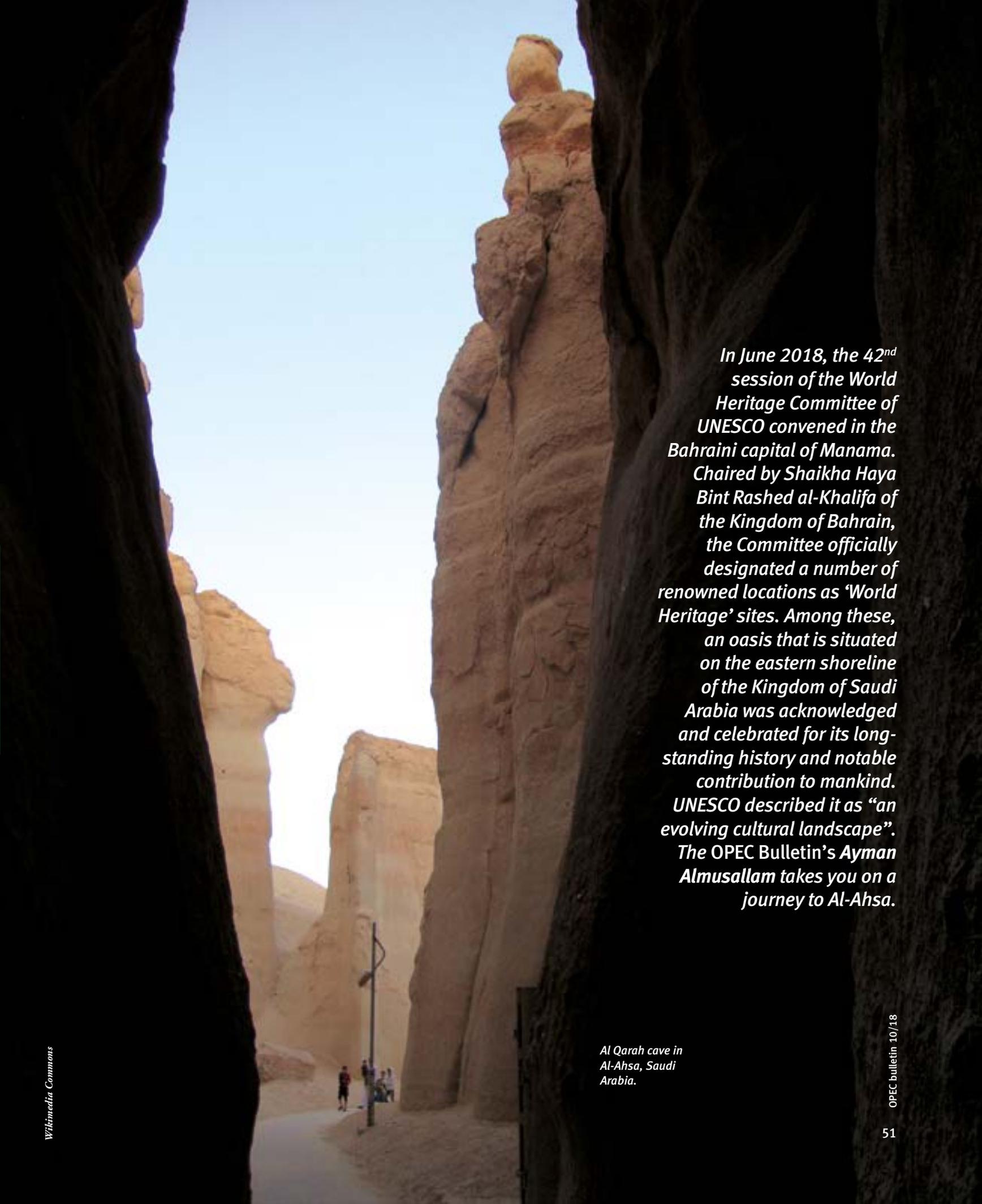
A new World Heritage Site: the historical oasis of Al-Ahsa

*As-Seef
traditional
oasis.*

OPEC bulletin 10/18

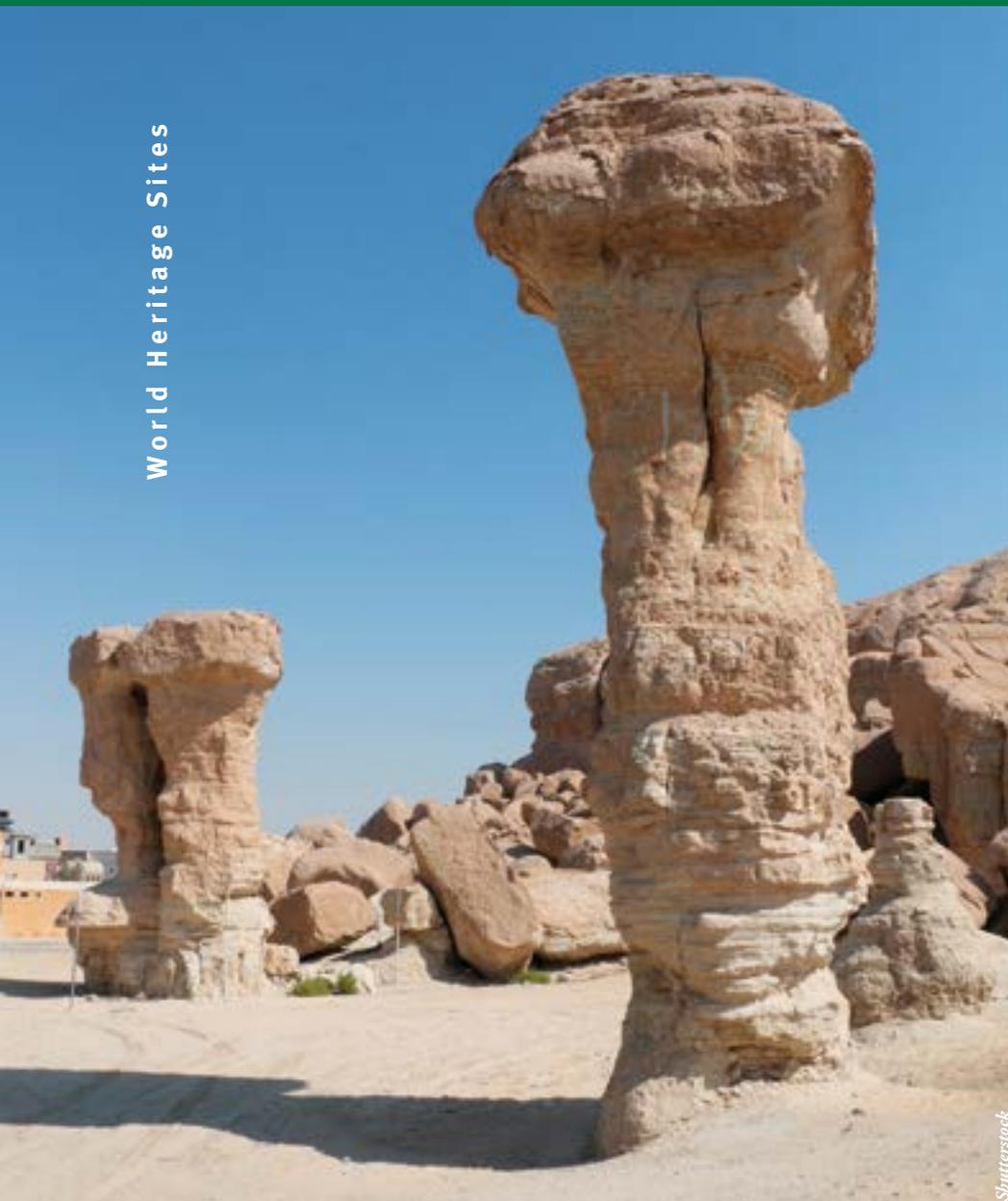
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UNESCO/Ipogea



In June 2018, the 42nd session of the World Heritage Committee of UNESCO convened in the Bahraini capital of Manama. Chaired by Shaikha Haya Bint Rashed al-Khalifa of the Kingdom of Bahrain, the Committee officially designated a number of renowned locations as ‘World Heritage’ sites. Among these, an oasis that is situated on the eastern shoreline of the Kingdom of Saudi Arabia was acknowledged and celebrated for its long-standing history and notable contribution to mankind. UNESCO described it as “an evolving cultural landscape”. The OPEC Bulletin’s Ayman Almusallam takes you on a journey to Al-Ahsa.

Al Qarah cave in Al-Ahsa, Saudi Arabia.



Rock formation found in the vicinity of the Al Qarah cave network in Al-Ahsa, Saudi Arabia.

UNESCO World Heritage list

The United Nations Educational, Scientific and Cultural Organization (UNESCO) is one of the UN's 15 specialized agencies and is mandated to promote cooperation in science, culture and education on a global scale. The Paris-based organization also plays an important role in contributing to achieving the goals of the UN's Sustainable Development Agenda 2030.

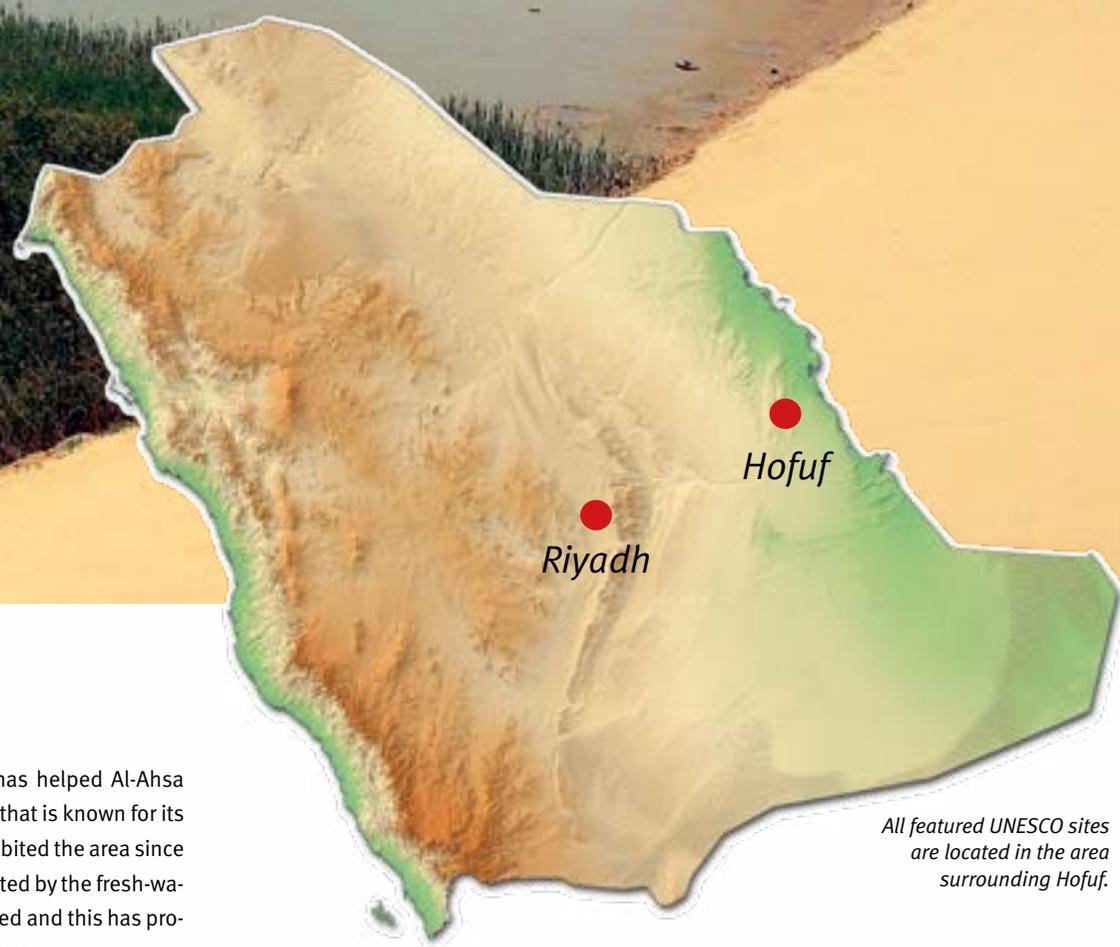
In 1972, UNESCO took responsibility for identifying, promoting, preserving and protecting historical and cultural sites of great value to world history and humanity. This mandate was adopted in the Convention Concerning the Protection of the World Cultural and Natural Heritage,

which soon evolved into the prominent World Heritage List. The convention took place in the French capital.

The list, which was published in 1978 for the first time and contained 12 important sites, has expanded over the years in notable fashion. Subsequently, the list has been substantially extended, and totalled over 1,100 sites in its most recent edition. In 2018, UNESCO added 19 sites to its list, including two located in OPEC Member Countries — the Sassanid Archaeological Landscape of Fars Region in IR Iran, which will be covered in a future edition of the *OPEC Bulletin*, and Al-Ahsa Oasis in the Kingdom of Saudi Arabia.



Lush greenery seen at an oasis located in Al-Ahsa.



All featured UNESCO sites are located in the area surrounding Hofuf.

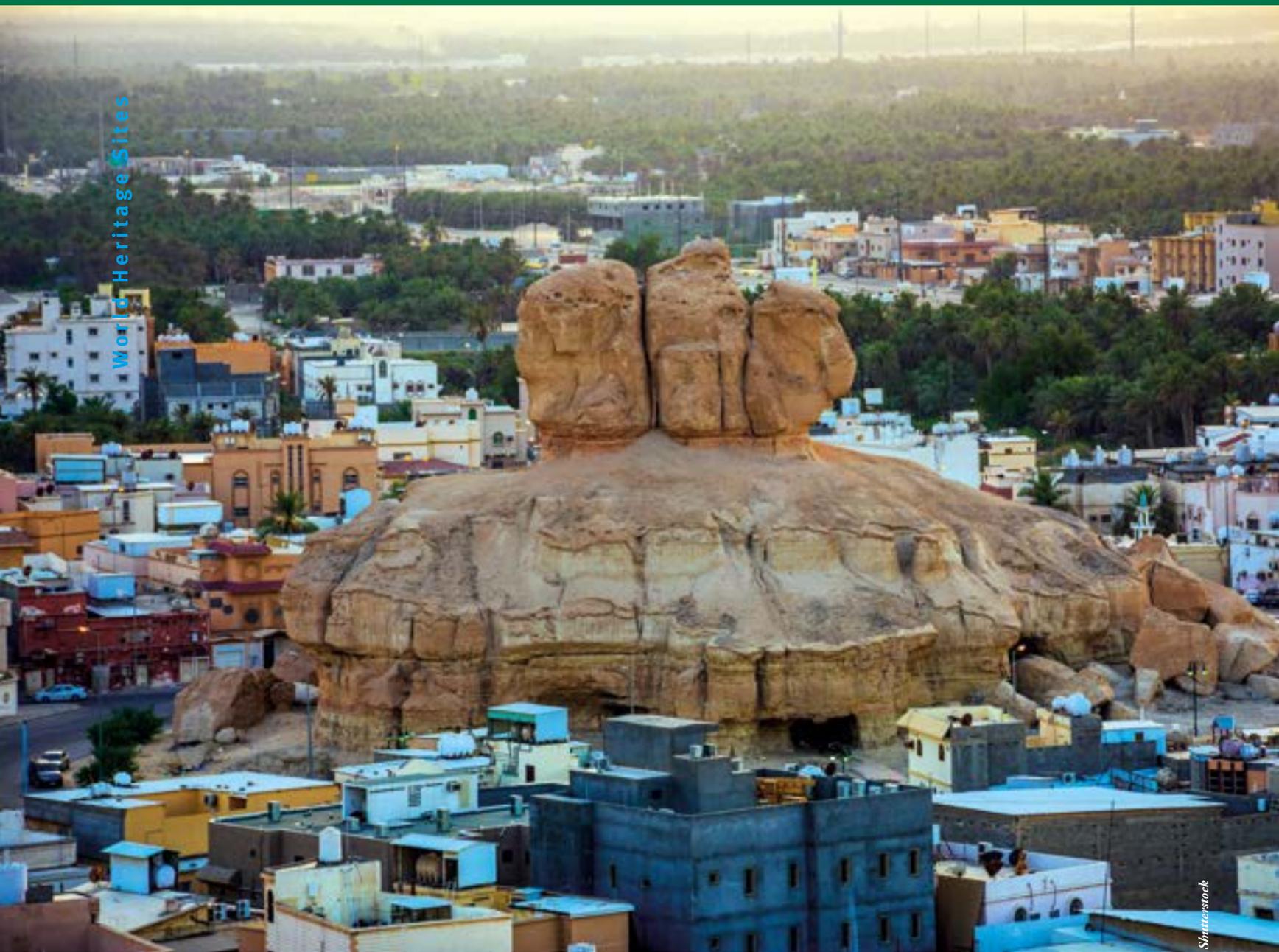
History of Al-Ahsa

An abundance of water resources has helped Al-Ahsa thrive over the centuries, in a region that is known for its arid nature. Human beings have inhabited the area since prehistoric times, as they were attracted by the fresh-water springs that have naturally surfaced and this has propelled the growth of the regional economy.

At large, the oasis of Al-Ahsa and the remainder of the exquisite Eastern Province of the Kingdom underwent similar developments in its early history. In 899 CE, the Qarmatians gained control of the region, and soon declared it independent from the Abbasid Caliphate.

Several decades later, the rule of the Qarmatians

began to decline. The Uyunids, an erstwhile ally of the Qarmatians, consequently used this opportunity to gain power in the area. These efforts succeeded in 1077 CE.



Shutterstock

Beautiful view of Al Qarah village, scene from Al Qarah mountain, Hofuf, Al-Ahsa, Saudi Arabia.

The subsequent centuries witnessed the rise and fall of many ruling dynasties, such as the Ufurids of Bahrain and the Jabrids, which became a significant force in the eastern region of the Arabian Peninsula. The Jabrids were also able to seize the island of Bahrain. During this period, Al-Ahsa experienced significant population growth, becoming a major urban centre in the region.

In the 16th century, the Portuguese began to explore the Gulf area. This eventually led to the invasion of Bahrain. Meanwhile, the Jabrids lost the territory of Al-Ahsa and surrounding areas to the Ottomans during the period of Sultan Suleiman I. These critical events marked the end of the Jabrids rule.

The Ottomans soon left the region, and a local tribe — Banu Khalid — attained supremacy and began governing the area in 1670.

More recently, Al-Ahsa became a territory of the modern Kingdom of Saudi Arabia in 1913, during the reign of the Kingdom's Founder and first Monarch, King Abdulaziz Bin Abdulrahman Al-Saud.

Since then, the region has enjoyed solid growth in various domains, backed by its extensive wealth in natural resources.

The Eastern Province, in general, and Al-Ahsa, in particular, rose in significance in recent years, as a result of the robust development projects commissioned by the Kingdom's Government. The oasis soon became one of



Battaliyah mosque in Al-Ahsa.



The Ibrahim palace in Hofuf, Al-Ahsa, Saudi Arabia.



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Tourists at the entrance to the Al Qarah cave now converted into Land of Civilization park, an attraction in Al-Ahsa, Saudi Arabia.

Inside the Caves at Hofuf, Al-Ahsa, Saudi Arabia.



Shutterstock

Saudi Arabia's most important historical landmarks and a symbol of prosperity.

Economy

For many decades, the region of Awal (the historical name of the area comprising Al-Ahsa, Bahrain and surrounding areas) has been recognized for its rich agriculture sector. Al-Ahsa is also well-known for its tall palm trees and delicious dates. It is believed that it accommodates around three million palm trees. Fishing is also another vital industry in the region. Over the years, these sectors have played a vital role in propelling its regional economy and furthering social progress.

In 1938, several rich deposits of petroleum were discovered in the Eastern Province of Saudi Arabia, which marked the beginning of a new, historic chapter for its resilient economy. The impact of the new findings soon became apparent, as the region embarked on a remarkable transformation.

Visitors seen at the entrance of Al Koot Heritage Hotel in Al-Ahsa, Saudi Arabia.

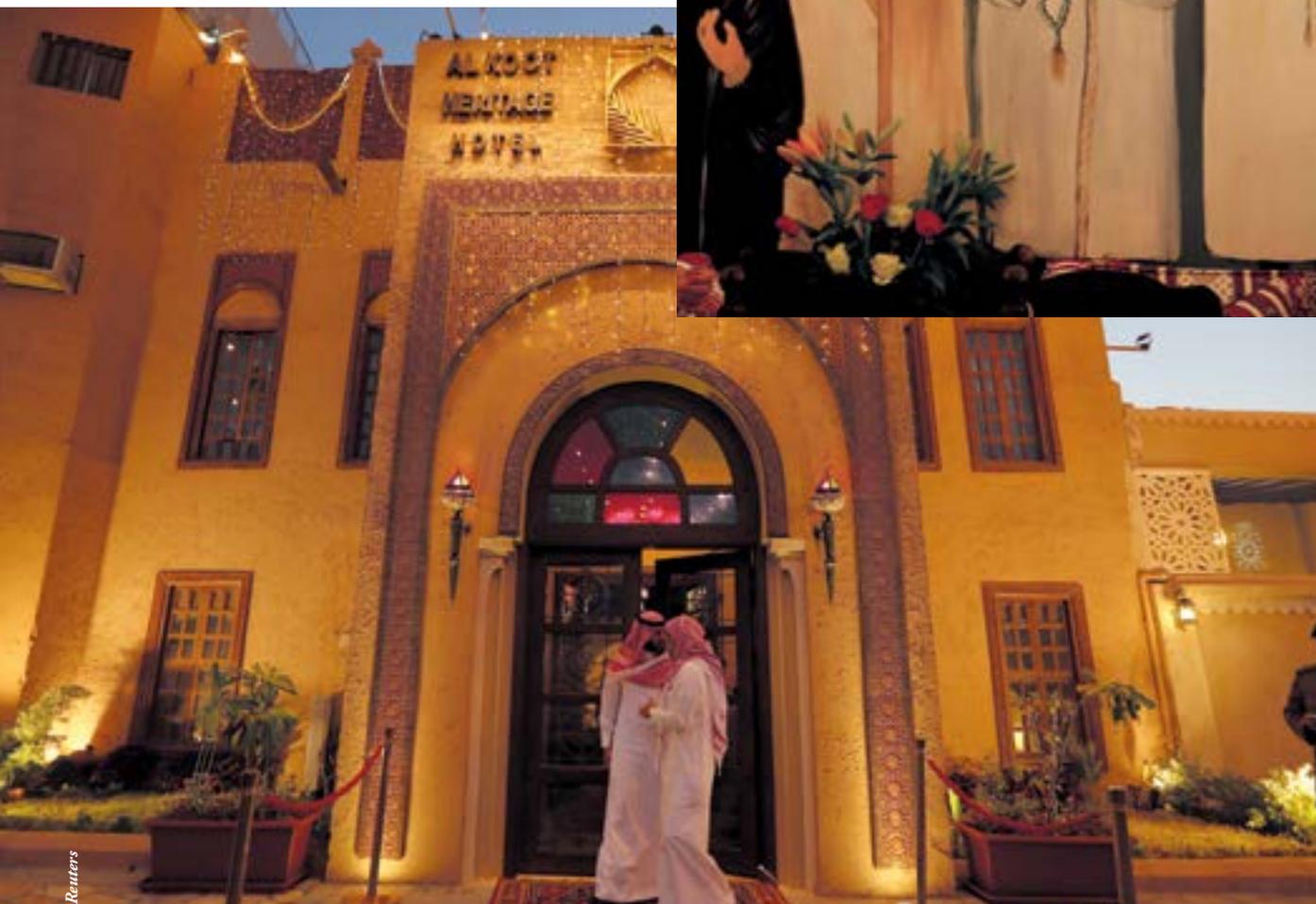
The oasis is also the home of Ghawar oil field, which is one of the largest conventional oil fields worldwide. It is operated by the Kingdom's oil giant — Saudi Aramco.

Geography and climate

The climate in Al-Ahsa is similar to the rest of the Eastern Province of Saudi Arabia.

In general, the region experiences more warm days than cold ones. While the winter season is relatively short, the temperature could drop in a significant manner,

A guest sits under an Arabic painting displayed at the lobby of Al Koot Heritage hotel in Al-Ahsa, Saudi Arabia.





A tourist walks at Al Qarah cave now converted into Land of Civilization park, an attraction in Hofuf, Al-Ahsa, Saudi Arabia.

reaching 0° Celsius or lower. In summer, the weather is extremely warm, as it reaches 50° C on average during the months of June, July and August.

Overall, the climate in the region tends to be notably humid.

It is located in Al-Kilabiyah village, 12 kilometres from Hofuf, one of the key cities in the oasis of Al-Ahsa. Since its construction, the Mosque has undergone a number of reconstruction and restoration projects, the last of which took place in 1991/92.

The Mosque is believed to be the host of the second ever Friday prayers in the history of Islam.

Hofuf historical city centre

The historical city of Hofuf is one of the key urban centres in the oasis of Al-Ahsa.

Hofuf is an inland city, inhabited by 150,000 people. The city’s authorities have preserved and protected its must-see historical city centre, which typifies the early cities of the Islamic period found in the Arabian Peninsula. A number of architectural landmarks are present at the old centre, such as the Casearean market, Haddadin Street and the Palace of Ibrahim.

The city possesses a competitive agricultural industry and is one of the largest producers of dates. Hofuf is also the nearest city to the famous Ghawar oil field.

Key attractions

For many centuries, Al-Ahsa has been a generous host for various civilizations and ancient societies. Resultantly, this has enriched the region with a unique heritage and several legends. Some of the notable landmarks include:

Jawatha Mosque

Built in 629 CE by the local tribe of Bani Abd Al-Qays, the Jawatha Mosque is believed to be the oldest mosque in the Eastern Province of modern Saudi Arabia.





Visitors at a local Souq Al Qaisariya now known as Al-Ahsa World Heritage UNESCO village after it was added to UNESCO World Heritage site, in Al-Ahsa, Saudi Arabia.

UNESCO headquarters in Paris.





Farewell luncheon for Suleiman Jasir Al-Herbish, Director-General, OFID



Suleiman Jasir Al-Herbish (r), Director-General, OPEC Fund for International Development (OFID), receiving a plaque from Mohammad Sanusi Barkindo (l), OPEC Secretary General.

At a farewell luncheon for **Suleiman Jasir Al-Herbish**, Director-General, OPEC Fund for International Development (OFID), was held on September 26, 2018. **Mohammad Sanusi Barkindo**, OPEC Secretary General, recalled the contributions of Al-Herbish to OPEC-OFID relations, as well as his previous experience working with OPEC. The OPEC family expressed its gratitude for the OFID DG’s work. Barkindo delivered the following remarks:

“Although it is always pleasant to enjoy a nice meal among pleasant company, today is a somewhat bitter-sweet occasion as we celebrate the outstanding career and achievements of my dear friend, Suleiman Jasir Al-Herbish, Director-General (OFID).

The world has changed a lot since Suleiman was appointed Director-General and Chief Executive Officer of OFID in November 2003. However, one thing has remained constant throughout all that time, Suleiman’s tireless dedication and commitment to sustainable development, energy poverty eradication and human-capacity building.

OPEC Fund for International Development (OFID)

“However, one thing has remained constant ... Suleiman’s tireless dedication and commitment to sustainable development, energy poverty eradication and human-capacity building.”

— *Barkindo*

This has meant that during Suleiman’s tenure at OFID, millions of the world’s most vulnerable people, suffering from some of the most acute cases of energy poverty, have seen their lives irrevocably and directly transformed by OFID’s and Suleiman’s work. This, justifiably, should be a tremendous source of satisfaction to him and his team.

The initiatives that Suleiman has undertaken have further enhanced OFID’s efficiency and relevance, particularly through the broadening of financing mechanisms and the strengthening of cooperation with other development organizations. The numerous milestone agreements which have been signed with OFID’s partner organizations are testimony to this.

To pay appropriate due to all of the enormous achievements of Suleiman during his tenure as Director-General would take more time than we have. However, I would like to stress that Suleiman has been a tremendous friend of the OPEC Secretariat and we are delighted by the warm relations we enjoy with our sister organization.

Suleiman knows OPEC extremely well, having served prior to his appointment as Director-General for 14 years as the Governor of Saudi Arabia at OPEC. He is the quintessential OPEC veteran, being a long standing delegate to OPEC and attending OPEC’s first Summit in Algiers in 1975; the second Summit in Caracas in 2000 and the third in Riyadh in 2007.

Of course, I am sure after so many years here,



Suleiman J Al-Herbish, the outgoing OFID Director-General.

Suleiman appreciates what a magnificent host the great city of Vienna is. An icon of Vienna is the statue of one of the greatest poets that has ever lived, Johann Wolfgang von Goethe. And when one considers the magnificent job Suleiman has done as Director-General, I cannot help but recall Goethe’s words,

Yes, to this thought I hold with firm persistence;

The last result of wisdom stamps it true:

He only earns his freedom and existence

Who daily conquers them anew.

Suleiman, thank you for being such a wonderful colleague and comrade and I wish every success, health and happiness to you and your family in the years ahead.”





Boathouse in the port of the national park Brioni, Croatia.



City view of Geneva, Switzerland.



Typical colonial architecture in the streets of the historical part of Quito, Ecuador.



Missions for OPEC

By Saadallah Al Fathi

In November 2009, the OPEC Bulletin published an article of mine under the title 'Places in the heart'. It discussed some aspects of my time in Vienna as Head of the Energy Studies Department during 1986–94. That article was part of a draft of my autobiography that I was working on at the time, and which cited my schooling and university days, and my 38 years at the Ministry of Oil in Iraq – including the eight years I was seconded to the OPEC Secretariat. My autobiography was finally published in Arabic in mid-2014.

While the above-mentioned *OPEC Bulletin* article concentrated mainly on my experience at the Secretariat, I intend here to mention other excerpts of that chapter – particularly with respect to assignments outside the Secretariat, which took me to many countries around the world.

Ministerial Conferences

The first Ministerial Conference I attended was held towards the end of June 1986 on the island of Brioni at the invitation of the Yugoslav Government. As I travelled by car, I discovered the beauty of the southern region of Austria and Croatia up to the port of Fazana where we crossed to the main island of Brioni. We stayed at the palace formerly used by Tito and his guests, which had been turned into a hotel after his death.

The Brioni meetings were difficult and were mostly informal and sporadic which gave us enough time to explore the beautiful island on bikes or go swimming at beaches close to the hotel. At times, it felt like a holiday where there is also a safari park, with many animals including elephants, and various well-kept parks where our hosts threw a dinner party accompanied by local music and traditional performing cast.

Not all Ministerial Conferences away from Vienna were like a holiday. Most of the conferences at that time were held in Geneva and, especially in winter, we did not see much of Geneva except the airport, the

Intercontinental Hotel and perhaps the supermarket next door. The longest meeting held in Geneva was from October 6–22, 1986, which was very demanding considering the difficulties at the time.

Quito, Ecuador

In mid-August 1986 I was sent on mission to Quito, Ecuador, to participate in a conference. Naturally, I felt very happy for this opportunity to take me to a distant Member Country. During that long journey, I thought about what to say during the conference, especially since it was my first assignment of the kind.

The conference was nicely organized by the hospitable Ecuadorians and it went well. My presentation was not out of line with the others. There I met Daniel Yergin, the President of Cambridge Energy Research Associates (CERA), famous for writing the book about the history of the oil industry (*The Prize*). I also met Joseph Stanislaw, the Group Director General, based in Paris and one of the world's best oil market analysts. We became immediate friends and continued to exchange ideas over the years. Later, Stanislaw and Yergin wrote *The Commanding Heights*, a book about the development of the free market economy around the world and the role of governments.

Most participants of the Quito meeting were later invited to a trip to Amazonia, east of Quito. To get there, we crossed towering mountains and left behind the Pacific Ocean in the distance. It was a beautiful day and the bus stopped more than once to see the sights.

In April 1987, I attended with other Secretariat staff the 12th World Petroleum Congress (WPC) and the accompanying exhibition in Houston. I had been in Houston in 1972 and naturally I wanted



to go to the same hotel in the then bustling centre near Market Square. The taxi driver took me there — only to find that the hotel was demolished like many other things in the centre of Houston.

The WPC event was huge and there were so much on offer that made it difficult to do anything except collect papers and information for future use. In that event, I found that the major oil companies were very sympathetic with OPEC’s challenges at the time.

Back in Vienna, I found an invitation from a friend at Mobil Oil Corporation to see the Formula 1 race at the Österreichring in Zeltweg, 200 kilometres from Vienna. Mobil at the time sponsored the famous Williams team, winner of the World Championship several times, which at one time had also been sponsored by Saudi Arabia. I became an avid fan of Formula 1 and remain one to this day.

In subsequent years, I attended with my family five races in the Hungaroring near Budapest. (My following of this sport and its relation to and impact on the oil and car industries were detailed in the March 2014 issue of the *OPEC Bulletin*.)

Sometime around 1988 or 1989, the Hungarian government was cracking the door open for some market economy activities. Travelling there, we found a number of small shops, in the centre just behind the major hotel zone, selling foreign made clothes, perfumes and the like.

We also found a long queue without an obvious target. In fact, we saw that it ran longer, to two or three corners. I decided to follow the queue — only to find out that it ended at a McDonald’s hamburger restaurant!

Oxford Energy Seminar

In September 1987, I was fortunate to attend the Oxford Energy Seminar organized by Oxford University. It was led by the late Robert Mabro, and we spent two weeks listening to and having discussions with major oil industry figures. We lived as students in the university’s dormitories and enjoyed student facilities. While the oil market was still uncertain and volatile, recovery was nowhere in sight.

In March 1988, the Arab Energy Conference was held in Baghdad in the Congress Palace attached to the famous Al Rasheed hotel. I attended the conference with Acting Secretary General, Dr Fadhil Al-Chalabi and the Director of Research, Jafar Saad, who delivered a paper on oil market developments. I chaired a session on advancements in the refining industry where Abdel Aziz Wattari, Deputy Secretary General of OAPEC, delivered a paper on the refining industry in the Arab countries. Jokingly, he did not fail to remind me that he had been the chairman of the committee that had awarded me a scholarship to study engineering in the United Kingdom in 1958.

World Energy Council

Among my duties at the Secretariat was to represent OPEC on the Executive Board of the World Energy Council (WEC). This was as an observer only because membership is to countries only. This often required attending meetings of the annual Executive Board



Historic buildings located in Market Square in downtown Houston, TX, US.



F1 Grand Prix in Spielberg, Austria.

to participate in committees dealing with matters close to OPEC concerns.

The WEC was formed in 1923 as an organization concerned with generating and consuming electricity but turned, at the end of the 1960s, into an organization concerned with energy in general.

In September 1988, the WEC meetings were held in Stockholm, Sweden, a city that boasts its own beauty and richness, especially at that time of year. The meetings were important and I provided OPEC's view and benefited from the informative reports prepared by the WEC Secretariat and even by some national committees. The General Secretary, Ian Lindsay, welcomed me warmly as he wanted to strengthen the role of oil and gas in the work of the WEC.

In early September 1989, the WEC committee meetings were held prior to the World Energy Conference in the city of Montreal, Canada. I travelled to Montreal via New York where I spent two days and visited Mobil to exchange views on the oil market. I stayed in a hotel downtown, close to the famous McGill University, where one can see buildings and beautiful parks along the streets adjacent to it.

The Conference was highly organized and attended by no less than 7,000 people and held in the Convention Centre, which was a masterpiece of architecture. One of the conference sessions on the future of the oil market was chaired by Isam Chalabi, the Iraqi Minister of Oil at the time, and was attended by no less than 2,000 participants and conducted very efficiently.

The following year I attended the same meetings of the WEC in Budapest. As it was so close to Vienna, I took my wife

and daughter with me.

They enjoyed the social programme immensely with other spouses. Unlike Vienna, the Danube passes through the centre of Budapest and has a huge impression on the city. The tour of Margaret Island, in the middle of the Danube in the northern part of the city, was unforgettable for its beauty and serenity.

Alaska

In July 1992, Dr Subroto, the Secretary General, received an invitation to visit Alaska for a joint OPEC-University of Anchorage oil symposium, for which we had been preparing for some time in coordination with Professor Mousa Al Saiad of the Finance Department of the University. Alaska was very enthusiastic to cooperate with OPEC in supporting crude oil prices by sending delegates to many OPEC Meetings with non-OPEC groups. Beside Dr Subroto, there was Michael Olorunfemi, the Director of Research, myself, Dr Bright Okogu and Mohammad Amin, officers in the Research Division.

After a long journey and seven hours wait in Chicago,

I arrived at the hotel just before midnight but the sun was still shining and it was the first and the last time I saw the midnight sun.

The next day the Rector of the University invited us to a fishing trip in the depths of Alaska and the hydroplane landed us in half an hour on one of the rivers where we moved by boat to a small fishing hotel. After getting a fishing license for one day, I was accompanied by Amin and a tour guide in one boat and the others took another boat in different direction. It was the first, and last, time that I joyfully caught a salmon weighing two and a half kilograms while the others caught only the much smaller trout. Naturally, we took pictures and the hotel manager congratulated me and the chef said that he would



F1 Grand Prix of Hungary, held in Budapest.



An aerial view of Alaska.

clean and freeze it for me to take to Vienna. But I chose to have it cooked to be eaten on the spot — and it was the nicest tasting fish I ever tasted (except for those grilled on wood fires on the banks of the Tigris river in Baghdad).

The next day I was the first speaker to provide OPEC's oil market perspective (though I first had to tell the audience about my fishing license and my catch). The state government and the people of Alaska had a fear of falling prices. Their production was declining, and it was becoming difficult to convince people to stay by lowering taxes and distributing some oil revenues directly to the population as one of the symposium papers had suggested.

We had a meeting with the Rector of the University to discuss ways to sustain the cooperation between OPEC and Alaska. Subroto asked me for ideas and I said that such gatherings should continue but the next time in Vienna. We also discussed the idea that in the long-run, the University should take one student from each Member Country every year, free of tuition fees, and the country concerned would pay the students living costs. While the Rector agreed, we were unable to push these ideas any further and we missed that opportunity.

Subroto had to return early and the rest of us visited Prince William Sound. We climbed into a large cruise ship which took us around a lake surrounded by no less than 14 glaciers and breath-taking sights which brought tears to my eyes. It was something to see thousands of tons of ice falling as the glaciers approached the lake and also to see polar bears in that wilderness on the shores. Unfortunately, we did not take advantage of BP's invitation to visit their fields in Purdue Bay, north of Alaska.

OPEC and non-OPEC cooperation

As long as low oil prices persisted, meetings between OPEC and non-OPEC became more feasible. This relationship remained

constant since the emergence of the idea of cooperation between the two groups in the wake of the collapse of oil prices in 1986. Considerable activity was seen in 1993 when the Joint Ministerial Conference met in Muscat in April of that year. Oman called for a workshop on the impact of taxes and the environmental impact on oil consumption, prices and investments. The workshop was held in September 1993 after several preparatory meetings and papers were prepared for the workshop. The Sultanate of Oman was a real driving force to sustain collaboration with OPEC.

Norway

My last trip on behalf of OPEC was to Norway. Subroto was invited in February 1994 to the famous Sanderstølen seminar where only high-level participants from Norway and the international oil industry attended.

The seminar was organized by the Norwegian Energy Policy Foundation and the Ministry of Foreign Affairs in cooperation with the Ministry of Petroleum and Energy, and was held each year around the same time for a week at Sanderstølen resort. The resort is in the village of Tisleidalen, some 200 kilometres north-west of Oslo. But the village consists of only the beautiful hotel and few houses for the staff in a desert of snow prepared for winter activities.

There were excellent presentations and I spoke about market conditions and near-term prospects. But the audience was more interested in asking me questions about the prospects in Iraq. So for half an hour I answered



questions regarding Iraq's oil. Everybody was interested and they expected that any breakthrough would lead to a great interest on the part of companies to work in Iraq where there were low capital and operating costs. John Brown, BP chairman, told me of his interest but said that he would not go to Baghdad.

At the seminar was Lord Wright, dean of British diplomats, who was also a specialist of Arabic and Islamic affairs. He was retiring to become a non-executive director of BP. His speech was positive towards better understanding of OPEC Members and their challenges, especially in the Middle East with their enormous resources.

On the last day, Jens Stoltenberg, the Norwegian Minister of Petroleum and Energy, spoke at length about his country's oil policy. He was only 35 years old and at the time managed an oil industry of 3.5 million barrels/day and an equivalent amount of gas. So I asked one of the attendees from Norway how he made it to the ministry at that age and limited experience. He told me he was active in the student union at the university — but also said he was the son of the famous Stoltenberg, the former Foreign and Defence Minister. I told him, for humour's sake, that our countries are faulted for far lesser practices!

On the way back to Oslo at dawn, a huge moose quickly crossed the snowy road in front of our car. The animal is not usually a risk to humans — but with a weight of 600 kilograms or so it can be a risk if it collides with a car. Oslo was still sleeping and our host still had time to show us around the city, including the famous Holmenkollen ski jump platform dating back almost 100 years, though now it is no longer used.

There were other trips — to Libya, Egypt, Singapore and Australia. In everything, I did my best for my job but I am most



The old Holmenkollen in Oslo, Norway.

grateful for the opportunity given to me to visit so many places in the course of my term with the OPEC Secretariat. That term finished at the end of April 1994 — and soon I was on my way back home to Baghdad by early July. ☒

All images in this article courtesy Shutterstock.



Panoramic view of Muscat, Oman.



Energy Models Analyst

The Energy Studies Department monitors, analyzes and forecasts world energy developments in the medium and long term and reports thereon, in particular providing in-depth studies and reports on energy issues. It monitors developments and undertakes specific studies on energy demand and production-related technology, assessing implications for OPEC. It identifies and follows up key areas of energy-related emerging technologies and research and development (R&D), facilitates and supports planning and implementation of collaborative energy-related R&D programmes of Member Countries, as well as identifies prospects for OPEC participation in major international R&D activities. It carries out studies and reports on developments in the petroleum industry, providing effective tools for carrying out model-based studies of analyses and projections of energy supply/demand and downstream simulation. It elaborates OPEC Long Term Strategy and monitors, analyses and reports on relevant national or regional policies (fiscal, energy, trade and environmental), assessing their impacts on energy markets.

Objective of position:

To ensure adequate development of the modelling capabilities of the Department and to supervise the development and maintenance of medium- to long-term modelling systems; to coordinate and be responsible for running the models; and to coordinate, carry out or contribute to studies based on a modelled approach.

Main responsibilities:

- Ensures and supervises the development of medium- and long-term modelling systems made by the OPEC Secretariat or by outside consultants and to co-ordinate for running the models.
- Ensures the maintenance of proper specifications of the models in use, keeps OPEC Secretariat methodologies continually under review and provides general guidelines for improving methodologies for the models in the Department.
- Conducts or contributes to studies based on a modelled approach.
- Responsible for defining the most reasonable raw input data for and running, modifying and updating the

models in the Secretariat; estimating and re-specifying the equations of the models to increase their computational efficiency.

- Studies and keeps abreast of other energy model efforts developed outside so as to keep OPEC methodologies continually under review.
- Contributes to speeches, articles and presentations to internal meetings and international forums.
- Carries out any other tasks assigned by the relevant superiors as pertain to his/her background, qualifications and position.

Required competencies and qualifications:

Education:

University degree in Economics, Statistics or Computational Modelling; advanced degree preferred.

Work experience:

University degree: eight years in the petroleum industry; advanced degree: six years.

Training specializations:

Energy modelling; knowledge of latest developments in exploration/production (upstream), pipeline transportation, refining (downstream) and modelling; broad knowledge of various phases of oil operations and energy related environmental issues an asset.

Competencies:

Communication skills; analytical skills; presentation skills; interpersonal skills; customer service orientation; initiative; integrity.

Language: English.

Status and benefits:

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

The post is at grade E reporting to the Head of Energy Studies Department. The compensation package, including expatriate benefits, is commensurate with the level of the post.

Applications:

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

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

In order for applications to be considered, they must reach the OPEC Secretariat through the relevant Governor not later than **October 31, 2018**, quoting the job code: **5.4.01** (see www.opec.org – Employment).



Petroleum Trade & Transport Analyst

Within the Research Division, the Petroleum Studies Department provides pertinent and reliable information and analyses in support of decision-making and policy-making in Member Countries. It carries out research programs and studies on short-term petroleum market developments with the aim of issuing reports on a regular, as well as ad-hoc basis, highlighting important issues for their use and consideration. It conducts regular forecasts, elaborates and analyses oil market scenarios and prepares and publishes reports on these findings. It promotes OPEC's views and technical analysis on short-term oil market developments to the industry at large and the general public via the OPEC Monthly Oil Market Report, as well as other reports, presentations and related pod casts. And it prepares and contributes to reports to be submitted to the Economic Commission Board, the Board of Governors, etc, as well as papers for various OPEC publications.

Objective of position:

To study and analyse pertinent dimensions of international and regional trade in crude oil and oil products and to assess the short term impact of movements of freight rates, as well as to monitor and analyse developments in oil transportation; and to prepare consolidated reports thereon to the Governing Bodies.

Main responsibilities:

- Studies and analyses volumes and structures of international and regional trade flows in crude and products.
- Studies and analyses the impact of movements of freight rates.
- Analyses the spot ship fixtures.
- Follows up the impact of interregional trade movement on freight rate.
- Studies regional crude oil sailing and its impact on freight rates.
- Analyses fleet developments in terms of new deliveries and demolition and fleet age.

- Follows the developments and prospective of pipeline capacities.
- Follows and assesses short-term developments in the international petroleum industry.
- Assesses the impact of emerging policies and regulations for environmental protection in various regions on fleet developments and freight rates.
- Carries out any other tasks assigned by the relevant superiors as pertain to his/her background, qualifications and position.

Required competencies and qualifications:

Education:

University degree in Economics or Energy related fields; advanced degree preferred.

Work experience:

University degree: eight years; advanced degree: six years.

Training specializations:

Energy analysis; oil and product transportation; knowledge of oil market developments.

Competencies:

Communication skills; analytical skills; presentation skills; interpersonal skills; customer service orientation; initiative; integrity.

Language:

English.

Status and benefits:

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

The post is at grade E reporting to the Head of Petroleum Studies Department. The compensation package, including expatriate benefits, is commensurate with the level of the post.

Applications:

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

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

In order for applications to be considered, they must reach the OPEC Secretariat through the relevant Governor not later than **October 31, 2018**, quoting the job code: **4.4.01** (see www.opec.org – Employment).

Forthcoming events

Algeria future energy, October 29–30, 2018, Algiers, Algeria. 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.algeria-future-energy.com.

LNGgc, October 29–31, 2018, London, UK. Details: IBC Global Conferences, The Bookings Department, Informa UK Ltd, PO Box 406, West Byfleet KT14 6WL, UK. Tel: +44 207 017 55 18; fax: +44 207 017 47 15; e-mail: energycustserv@informa.com; website: https://energy.knect365.com/lnggc-london.

OPAL oil and gas conference and awards, October 29–31, 2018, Muscat, Oman. Details: Omanexpo LLC, 1st Floor, SABCO Building, Wattayah, Muscat, Sultanate of Oman. Tel: +968 24 66 01 24; fax: +968 24 66 01 25/126; e-mail: info@omanexpo.com; website: www.oogc-oman.com.

2nd project East Africa, October 31, 2018, Kampala, Uganda. Details: Global Event Partners Ltd, London Office, 20-22 Bedford Row, London WC1R 4JS, UK. Tel: +44 203 488 11 91; e-mail: enquiries@gep-events.com; website: www.gpevents.com/event/2nd-project-east-africa.

Gas Asia summit, October 31–November 1, 2018, Singapore. 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.gasasiasummit.com

5th Mozambique gas summit and exhibition, October 31–November 2, 2018, Maputo, Mozambique. 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.mozambique-gas-summit.com.

SPE annual Caspian technical conference and exhibition, October 31–November 2, 2018, Astana, Kazakhstan. Details: Society of Petroleum Engineers, Part Third Floor East, Portland House, 4 Great Portland Street, London W1W 8QJ, UK. Tel: +44 207 299 3300; fax: +44 207 299 3309; e-mail: spelon@spe.org; website: www.spe.org/www.spe.org/events/en/2018/conference/18ctce/spe-annual-caspian-technical-conference-and-exhibition-astana-kazakhstan.html.

Condensate and naphtha forum November 2018, November 1, 2018, venue: tbc. Details: Conference Connection Administrators Pte Ltd, 105 Cecil Street #07-02, The Octagon, 069534 Singapore. Tel: +65 6222 0230; fax: +65 6222 0121; e-mail: info@cconnection.org; website: www.cconnection.org/events/condensate-2018.

Arctic technology conference, November 5–7, 2018, Houston, TX, US. Details: Society of Petroleum Engineers, 10777 Westheimer, Suite #335, Houston, TX 77042, US. Tel: +1 713 779 9595; fax: +1 713 779 4216; e-mail: spehou@spe.org; website: www.otcnet.org/arctic/?_ga=2.250457039.892139930.1528977832-480958865.1528977832.

Offshore vessel connect global, November 6–7, 2018, Amsterdam, The Netherlands. Details: IBC Global Conferences, The Bookings Department, Informa UK Ltd, PO Box 406, West Byfleet KT14 6WL, UK. Tel: +44 207 017 55 18; fax: +44 207 017 47 15; e-mail: energycustserv@informa.com; website: https://energy.knect365.com/offshore-vessel-connect-global.

3rd gasoline, naphtha and LPG conference, November 7–8, 2018, Rotterdam, The Netherlands. Details: Platts, 20 Canada Square, Canary Wharf, London E14 5LH, UK. Tel: +44 207 1766142; fax: +44 207 176 8512; e-mail: cynthia_rugg@platts.com; website: www.platts.com/events/emea/gasoline-naphtha-lpg/index.

European autumn gas conference (EAGC), November 7–9, 2018, Berlin, Germany. 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.theeagc.com.

Future of biogas Europe 2018, November 7–9, 2018, London, UK. 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/future-biogas-europe.

Mexican energy conference, November 8–9, 2018, Mexico City, Mexico. Details: Platts, 20 Canada Square, Canary Wharf, London E14 5LH, UK. Tel: +44 207 1766142; fax: +44 207 176 8512; e-mail: cynthia_rugg@platts.com; website: www.platts.com/events/americas/mexican-energy/index.

ADIPEC, November 12–15, 2018, Abu Dhabi, UAE. 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.adipec.com.

Floating regas and storage, November 13–14, 2018, London, UK. Details: IBC Global Conferences, The Bookings Department, Informa UK Ltd, PO Box 406, West Byfleet KT14 6WL, UK. Tel: +44 207 017 55 18; fax: +44 207 017 47 15; e-mail: energycustserv@informa.com; website: https://energy.knect365.com/floating-regas.

Myanmar LNG and power, November 15–16, 2018, Yangon, Myanmar. 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=181128&

Operational excellence in oil, gas and petrochemicals conference and exhibition, November 15–16, 2018, Sochi, The Russian Federation. 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/event/84/0.

Ghana oil, gas and power summit, November 21–22, 2018, Accra, Ghana. 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.cwcghana.com.

Global geothermal energy summit, November 21–22, 2018, Amsterdam, The Netherlands. 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/global-geothermal-energy-summit.

2nd Africa oil and gas local content conference and exhibition, November 26–28, 2018, Luanda, Angola. 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/alc.

Global petrochemicals summit, November 27, 2018, Cannes, France. Details: Clarion Events Ltd, Fulham Green, 69–79 Fulham High Street, London, SW6 3JW, UK. Tel: +971 55 307 33 32; e-mail: kay.mitchell@clarionevents.me; website: https://ertc.wraconferences.com.

19th CWC world LNG summit and awards evening, November 27–30, 2018, Lisbon, Portugal. 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://world.cwlng.com.

SPE Middle East artificial lift conference and exhibition, November 28–29, 2018, Manama, Bahrain. Details: Society of Petroleum Engineers, Dubai Knowledge Village, Block 17, Offices S07-S09, PO Box 502217, Dubai, UAE. Tel: +971 4 390 3540; fax: +971 4 366 4648; e-mail: spedub@spe.org; website: www.spe.org/events/en/2018/conference/18meal/middle-east-artificial-lift-conference-and-exhibition.html.

7th Mediterranean bunker fuel conference, November 29–30, 2018, Athens, Greece. Details: Platts, 20 Canada Square, Canary Wharf, London E14 5LH, UK. Tel: +44 207 1766142; fax: +44 207 176 8512; e-mail: cynthia_rugg@platts.com; website: www.platts.com/events/emea/mediterranean-bunker-fuel/index.



Review of global economic development

September 2018

Global economic growth forecasts remain robust for 2018 and 2019, at 3.8 per cent and 3.6 per cent, respectively. However, despite the overall positive dynamic, growth trends between and within major regions are increasingly diverging. Underlying fragility has recently emerged in several areas and therefore the risk to 2018 and 2019 global economic forecasts is now more skewed to the downside. A combination of monetary tightening from G4 central banks, the weakening financial situations in some emerging and developing economies, rising trade tensions and ongoing geopolitical concerns in some parts of the world constitute challenges to the current global economic growth trend.

Within the OECD group of countries, the US economy continues to benefit from considerable fiscal stimulus implemented since the beginning of the year and the support of an ongoing relatively accommodative monetary policy. Growth is forecast at 2.9 per cent for this year and 2.5 per cent in 2019. Lower growth is seen in the Euro-zone, with 2.0 per cent for 2018 and 1.9 per cent next year. High sovereign debt levels in some economies, along with weakness in some areas of the banking sector remain a major concern, posing some risk to economic expansion in the Euro-zone. Japan is forecast to grow at a much lower level, at 1.1 per cent for both 2018 and 2019. With the country's economy continuing to be constrained by very low unemployment and high utilisation rates in the industrial sector, the upside remains limited.

Monetary tightening by major OECD central banks is forecast to continue and could slow the growth trend not only in the OECD, but also in emerging and developing economies, particularly those with weak fiscal situations. A number of countries have already begun to face severe financial constraints, with a considerable impact from significant declines in currency exchange rates. This, in combination with weakening domestic activities in these economies, may also have a ripple effect on the global economy.

Brazil is forecast to show only moderate growth of 1.2 per cent in 2018, followed by 2.0 per cent in 2019, with

the country facing weak domestic demand and the effects of currency depreciation. Russia's currency has also weakened, through a combination of sanctions and low domestic demand. GDP is forecast to see growth of 1.6 per cent in 2018, followed by 1.7 per cent in 2019, with oil sector-related income remaining of great importance to the economy. India's and China's economic growth are forecast at significantly higher levels, with respective 2018 growth forecasts of 7.6 per cent and 6.6 per cent, and then 7.4 per cent and 6.2 per cent in 2019.

It will be essential to monitor the uncertainty in currency and financial markets that may further pressure emerging economies, particularly in light of developments in Argentina, Turkey and South Africa. In fact, currency depreciation has extended to some degree elsewhere, for example, the Indian Rupee, and this may create some challenges for oil imports. In addition, rising protectionism initiatives have added to the risks, in particular for emerging and developing economies.

At the same time, global oil demand is also following a similar divergent trend, with some regions – primarily the Middle East and Latin America – showing signs of weakening oil demand, while other countries are posting stronger demand numbers, namely the US, India and China.

Going forward, economic uncertainty, and hence questions surrounding global oil demand, coupled with geopolitical tensions, will need to be factored into maintaining a balanced market in the months to come. OPEC and the non-OPEC participating countries in the 'Declaration of Cooperation' will continue to contribute to achieving market stability for the benefit of producers and consumers alike.



Crude oil price movements – In August, the OPEC Reference Basket declined by \$1.01 m-o-m, settling at \$72.26/barrel. Crude oil futures were also down for the month. Price declines were mainly due to worries that the ongoing global trade disputes would lower oil demand, strengthening US dollar, US stock builds and reported supply increases. ICE Brent was \$1.11 lower at \$73.84/b compared to the previous month, while NYMEX WTI was down \$2.74 at \$67.85/b and DME Oman dropped 24¢ to \$72.67/b. However, year-to-date (y-t-d) ICE Brent was still \$19.86 higher at \$72.00/b, while NYMEX WTI increased by \$17.12 to \$66.42/b and DME Oman was up \$18.70 at \$69.55/b. The Brent-WTI spread widened to average \$6.00/b. Speculative net long positions ended mixed, with those of NYMEX WTI lower. As for market structure, the backwardation in Dubai remained unchanged, while that of WTI eased. The contango structure for Brent for the rest of the year deepened amid increasing supplies. The discount of sour to sweet crudes decreased due to an anticipated tightening of sour crude, while sweet crude availability was ample.

World economy – The global GDP growth forecast remains at 3.8 per cent for 2018 and 3.6 per cent for 2019. In the OECD, growth in the US is assessed unchanged at 2.9 per cent in 2018 and 2.5 per cent in 2019. Euro-zone growth remains at 2.0 per cent for 2018 and 1.9 per cent for 2019. GDP growth in Japan is revised down by 0.1–1.1 per cent in both 2018 and 2019. Meanwhile, in the non-OECD, India's forecast is revised up to 7.6 per cent for 2018, while remaining unchanged at 7.4 per cent for 2019. China's GDP growth remains at 6.6 per cent for 2018 and 6.2 per cent for 2019. Growth in Brazil is revised down by 0.4 per cent to reach 1.2 per cent in 2018, but a rebound to 2.0 per cent is anticipated in 2019. Russia's GDP growth forecast is also revised lower to 1.6 per cent in 2018 and down to 1.7 per cent in 2019.

World oil demand – In 2018, world oil demand

is expected to grow by 1.62 million barrels/day, a minor downward revision from last month's projection. In the OECD region, oil demand saw healthy growth in all three main OECD regions, particularly in the Americas over 1H18. In contrast, the non-OECD region, mainly Latin America and the Middle East, saw weaker oil requirements in 1H18 as well as slower economic projections, which has led to a net downward revision of 20,000 b/d from last month's report. Total oil demand for 2018 is now estimated at 98.82m b/d. In 2019, world oil demand growth is forecast to rise by 1.41m b/d, a minor downward adjustment of 20,000 b/d from the previous month's assessment, mainly reflecting the less optimistic economic projections in the non-OECD regions of Latin America and the Middle East compared to last month. Total world oil demand in 2019 is now projected to surpass 100m b/d for the first time and reach 100.23m b/d.

World oil supply – Non-OPEC oil supply in 2018 is expected to grow by 2.02m b/d, a downward revision of 64,000 b/d. The US, Canada, Kazakhstan the UK, and Brazil remain the main drivers for growth, while Mexico and Norway are projected to show the largest declines. Total non-OPEC supply for 2018 is now estimated at 59.56m b/d. Non-OPEC oil supply in 2019 is forecast to grow by 2.15m b/d, a minor upward revision of 17,000 b/d. The US, Brazil, Canada, and the UK are expected to be the main growth drivers, while Mexico and Norway have the largest declines. Non-OPEC supply is now forecast to average 61.71m b/d for the year. OPEC NGLs in 2018 and 2019 are 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 August, OPEC crude oil production increased by 278,000 b/d to average 32.56m b/d, according to secondary sources.

Product markets and refining operations – Refinery margins at all main trading hubs recorded gains in August as several refinery outages prompted product supply disruptions, which

led to strengthening at the top and middle of the barrel. In the US, product markets strengthened, supported mainly by higher product exports, particularly to Latin America. In Europe, declining Amsterdam-Rotterdam-Antwerp product inventories resulted in tighter product balances, which provided substantial support to refining margins. Meanwhile in Asia, refining margins strengthened on the back of lower refinery intakes caused by unplanned shutdowns and bullish market sentiment.

Tanker market – In August, dirty vessel spot freight rates increased by five per cent on average compared to a month earlier. This was mainly driven by higher freight rates for VLCC and Aframax, while average Suezmax freight rates showed a decline. Enhanced activity and delays on the US Gulf Coast (USGC) and Asia supported freight rates in August. In the clean tanker market, spot freight rates remained under pressure as high vessel availability continued, while tonnage demand remained limited, therefore resulting in rate declines in both the eastern and western directions of Suez.

Stock movements – Data for July showed that total OECD commercial oil stocks rose by 8.1m b m-o-m, standing at 2,830m b, which is 194m b lower than a year ago and 43m b below the latest five-year average, but remain 260m b above the January 2014 level. Compared to the latest five-year average, crude stocks indicated a deficit of 200,000 b, while product stocks witnessed a deficit of 43m b. In terms of days of forward demand cover, OECD commercial stocks rose by 0.1 days m-o-m in July to stand at 59.1 days, which is 2.3 days below the latest five-year average.

Balance of supply and demand – In 2018, demand for OPEC crude is expected at 32.9m b/d, which is 500,000 b/d lower than in the previous year. In 2019, demand for OPEC crude is forecast at 32.1m b/d, around 900,000 b/d lower than a year earlier.

The feature article and oil market highlights are taken from OPEC's Monthly Oil Market Report (MOMR) for September 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 31-35/2018 (week ending)				
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Aug 3	Aug 10	Aug 17	Aug 24	Aug 31
Arab Light – Saudi Arabia	49.63	53.29	55.73	61.08	62.50	67.42	64.03	64.40	68.91	74.68	74.26	74.16	73.38	73.27	73.12	71.66	73.21	75.99
Basrah Light – Iraq	49.26	53.03	55.02	60.21	61.44	66.11	62.31	62.27	67.06	72.83	71.90	72.02	71.10	71.30	70.61	69.15	71.00	73.92
Bonny Light – Nigeria	51.69	56.55	57.97	63.29	64.64	69.92	66.02	67.05	72.75	77.73	74.86	75.06	73.29	74.38	72.16	70.68	73.31	76.83
Djeno – Congo*	51.04	55.89	56.71	61.75	62.83	67.42	62.97	64.08	69.31	73.84	70.58	70.91	69.66	70.53	68.43	67.02	69.76	73.34
Es Sider – Libya	50.31	55.07	56.48	61.58	63.09	68.23	64.36	64.89	70.43	75.25	72.27	72.43	70.74	71.80	69.61	68.13	70.76	74.28
Girassol – Angola	52.31	56.83	57.88	62.97	64.97	69.77	66.09	66.89	71.80	76.75	73.54	74.40	73.20	74.30	71.99	70.48	73.27	76.83
Iran Heavy – IR Iran	48.70	52.27	54.29	59.27	60.87	65.85	62.27	62.15	66.56	72.15	71.69	71.44	70.46	70.34	70.22	68.72	70.23	73.16
Kuwait Export – Kuwait	48.70	52.23	54.50	59.58	60.94	65.74	62.14	62.23	66.99	72.55	72.38	72.33	71.82	71.62	71.60	70.11	71.60	74.40
Marine – Qatar	49.71	52.91	55.14	60.47	61.54	66.36	63.14	63.39	67.63	73.36	72.94	73.06	72.45	72.62	72.50	70.89	71.96	74.77
Merey – Venezuela	45.38	49.13	50.70	55.86	56.04	59.14	57.68	56.94	60.25	68.29	69.25	70.37	67.38	69.48	67.62	66.24	67.24	68.23
Murban – UAE	51.51	54.94	57.39	62.76	63.84	68.81	65.88	66.31	70.97	76.71	76.18	76.00	74.91	75.56	75.25	73.14	74.19	77.02
Oriente – Ecuador	47.45	51.30	53.77	59.23	59.66	63.53	60.28	61.16	65.37	70.39	70.05	69.11	69.39	68.99	68.48	67.54	70.16	71.95
Rabi Light – Gabon	50.69	55.10	56.31	61.66	63.17	68.16	64.19	64.92	70.61	75.88	73.11	73.07	71.86	73.06	70.77	69.13	71.84	75.34
Saharan Blend – Algeria	51.31	56.32	57.88	63.23	64.74	69.93	66.01	66.69	72.13	77.25	73.37	73.93	72.64	73.54	71.51	70.03	72.66	76.18
Zafiro – Equatorial Guinea	51.67	56.57	57.73	62.75	64.34	69.23	65.19	65.91	71.43	76.68	73.84	74.05	72.74	73.80	71.61	70.13	72.76	76.28
OPEC Reference Basket	49.60	53.44	55.50	60.74	62.06	66.85	63.48	63.76	68.43	74.11	73.22	73.27	72.26	72.53	71.88	70.36	72.09	74.96

Table 2: Selected spot crude prices
\$/b

Crude/country	2017					2018								Weeks 31-35/2018 (week ending)				
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Aug 3	Aug 10	Aug 17	Aug 24	Aug 31
Arab Heavy – Saudi Arabia	48.55	51.78	53.99	59.03	60.47	65.24	61.60	61.49	66.47	72.24	72.30	72.50	72.35	72.01	72.27	70.67	71.95	74.92
Brega – Libya	50.76	55.34	56.78	61.99	63.54	68.68	64.96	65.64	71.33	76.35	73.47	73.63	71.94	73.00	70.81	69.33	71.96	75.48
Brent Dtd – North Sea	51.66	56.07	57.28	62.63	64.14	69.13	65.16	65.89	71.58	76.85	74.17	74.33	72.64	73.70	71.51	70.03	72.66	76.18
Dubai – UAE	50.24	53.51	55.63	60.81	61.61	66.15	62.69	62.76	68.29	74.20	73.61	73.09	72.47	72.48	72.41	70.78	72.04	75.03
Ekofisk – North Sea	52.30	57.15	57.85	63.28	64.98	69.99	65.81	66.63	72.61	78.28	73.99	74.54	72.84	74.75	71.71	70.22	72.67	76.85
Iran Light – IR Iran	50.85	54.45	56.25	62.12	63.37	68.32	62.64	63.44	68.76	74.60	72.56	72.10	70.34	71.20	68.94	67.70	70.66	74.91
Isthmus – Mexico	52.92	55.20	56.08	61.35	62.57	67.57	64.83	65.40	68.10	73.03	70.92	69.63	67.05	67.17	66.58	65.21	67.62	69.06
Oman – Oman	50.37	53.95	55.63	60.84	61.63	66.42	63.00	63.31	68.34	74.38	73.69	73.20	72.72	72.36	72.63	71.05	72.37	75.29
Suez Mix – Egypt	49.59	53.19	55.11	60.83	62.04	66.99	61.31	61.93	67.62	73.67	71.85	71.50	69.81	70.60	68.36	67.20	70.16	74.41
Minas – Indonesia*	45.91	49.20	50.55	55.50	56.95	60.91	58.15	58.90	63.53	68.26	76.72	73.51	66.90	69.89	66.57	64.95	66.19	69.31
Urals – Russia	51.30	54.89	56.81	62.53	63.75	68.69	63.01	63.63	69.16	75.23	73.55	73.20	71.62	72.30	70.06	68.90	71.86	75.68
WTI – North America	48.03	49.71	51.57	56.67	57.94	63.70	62.15	62.76	66.32	69.89	67.70	71.03	67.99	68.80	67.91	66.12	68.31	69.39

Notes:

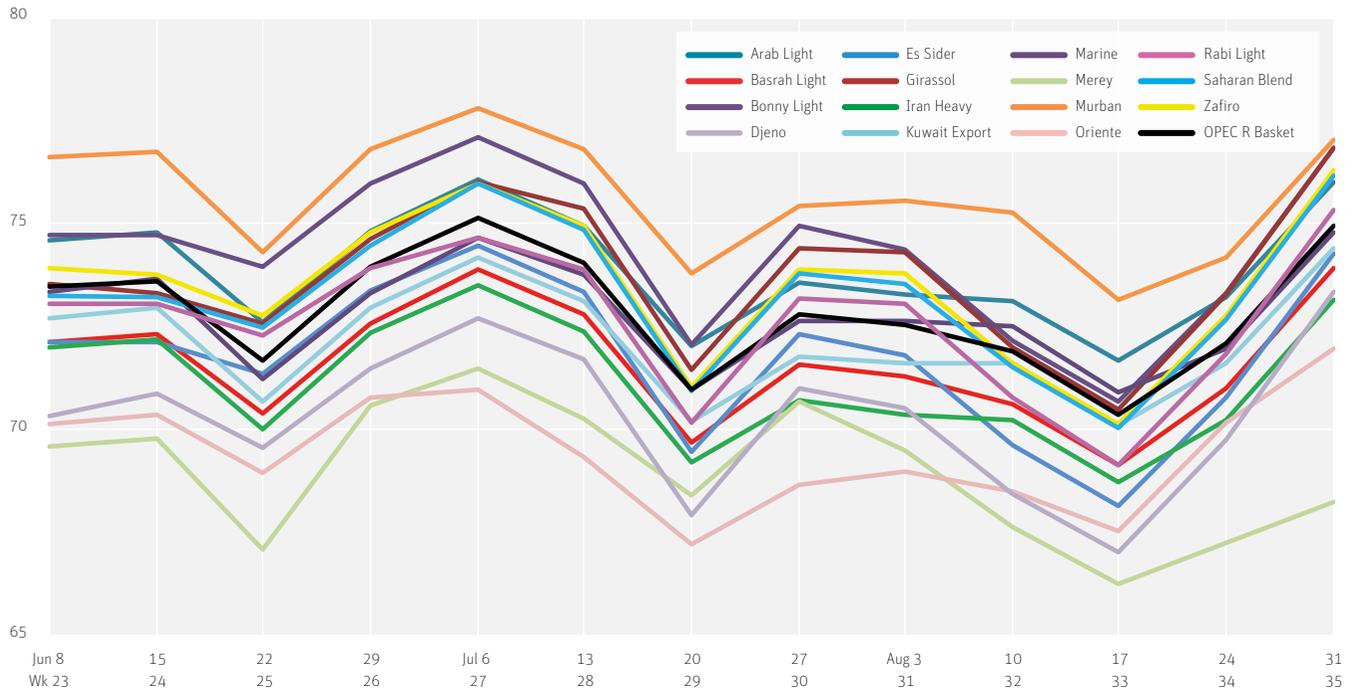
Brent for dated cargoes; Urals cif Mediterranean. All others fob loading port.

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

Sources: Argus; Secretariat's assessments.

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

\$/b



Graph 2: Evolution of selected spot crude prices, 2018

\$/b

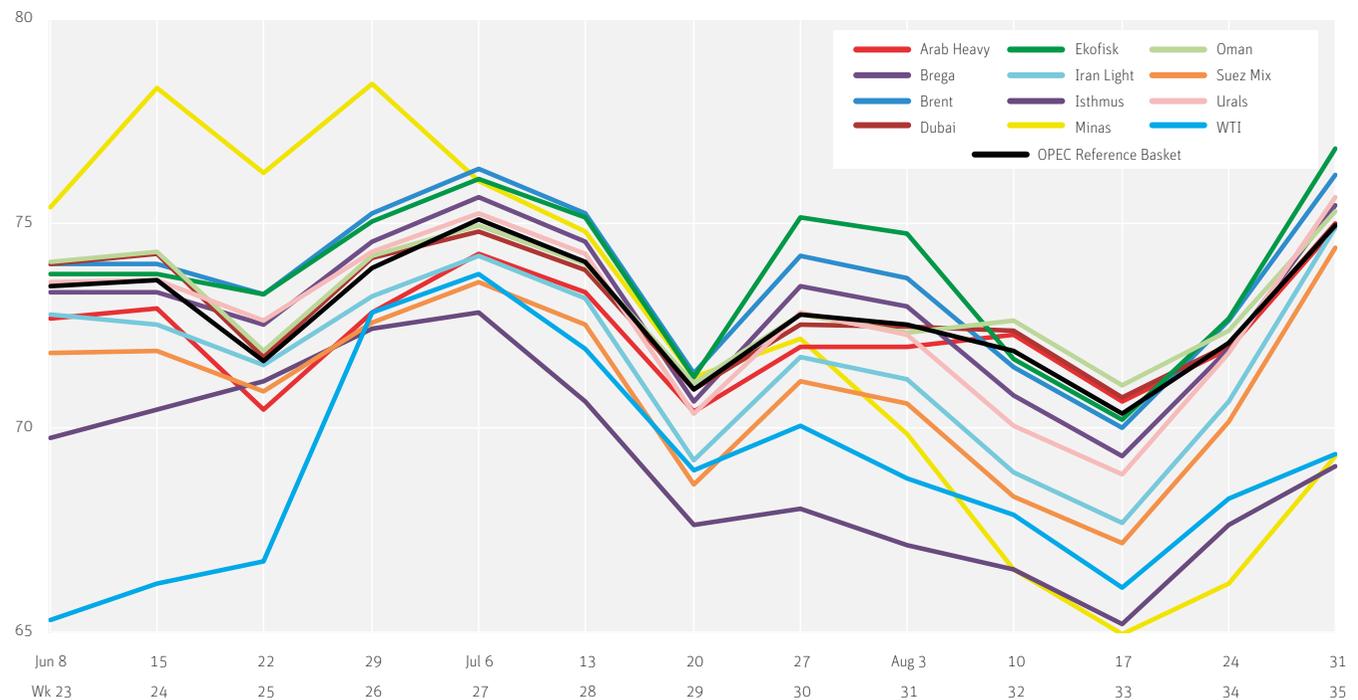


Table and Graph 3: North European market – spot barges, fob Rotterdam

\$/b

	naphtha	regular gasoline unleaded	diesel ultra light	jet kero	fuel oil 1 per cent S	fuel oil 3.5 per cent S
2017 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
August	70.82	95.01	88.49	87.96	65.73	62.59

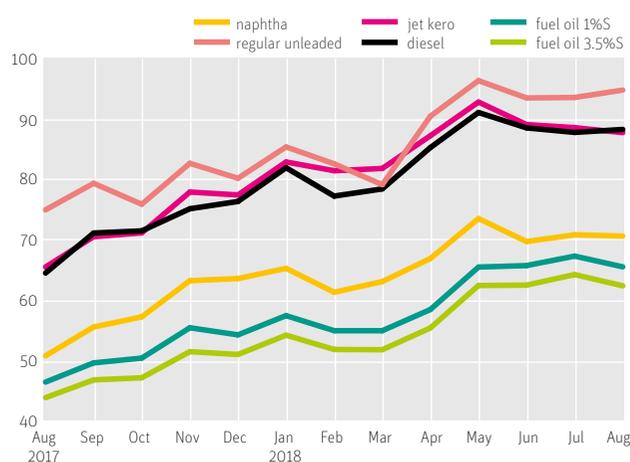


Table and Graph 4: South European market – spot cargoes, fob Italy

\$/b

	naphtha	premium gasoline 50ppm	diesel ultra light	fuel oil 1 per cent S	fuel oil 3.5 per cent S
2017 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
August	70.61	88.39	89.53	66.43	63.97

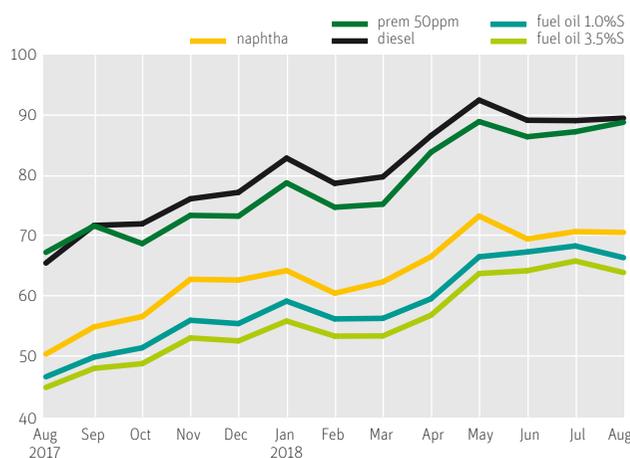
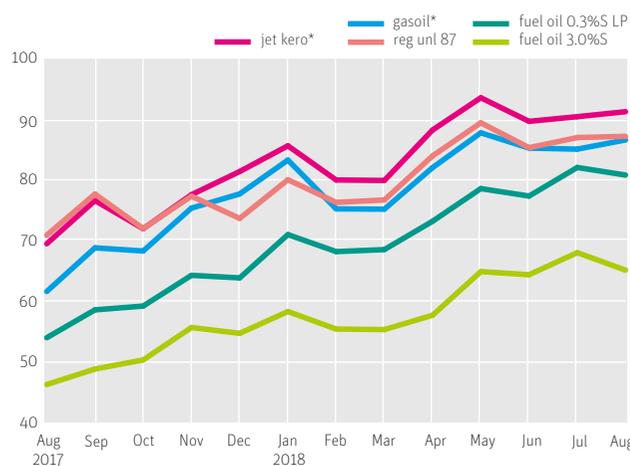


Table and Graph 5: US East Coast market – spot cargoes, New York

\$/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 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
August	87.15	86.55	91.21	80.77	65.11



* 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							
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
August	71.76	84.83	82.44	87.61	87.31	75.76	68.57

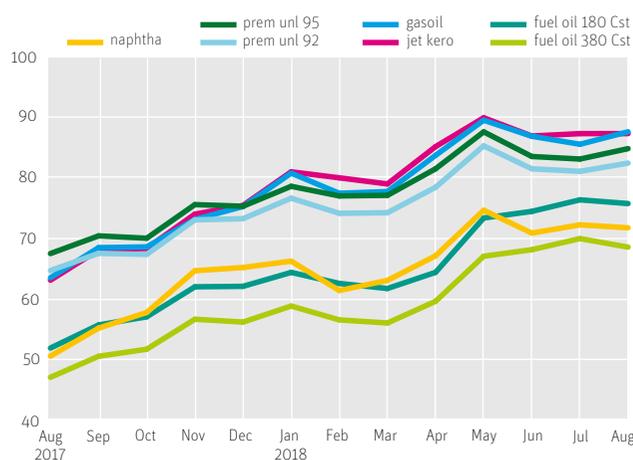
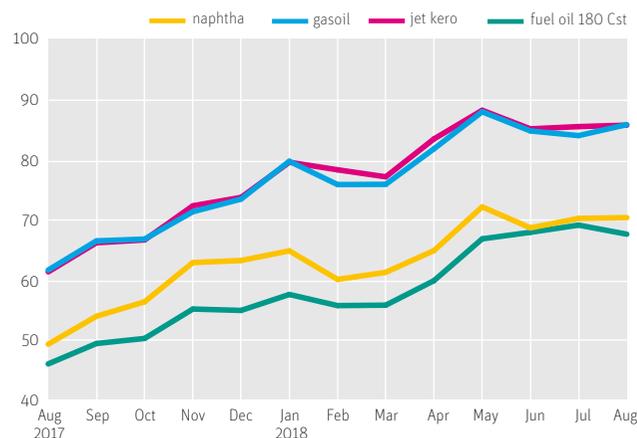


Table and Graph 7: Middle East Gulf market – spot cargoes, fob

\$/b

	naphtha	gasoil	jet kero	fuel oil 180 Cst
2017				
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
August	70.40	85.77	85.68	67.66

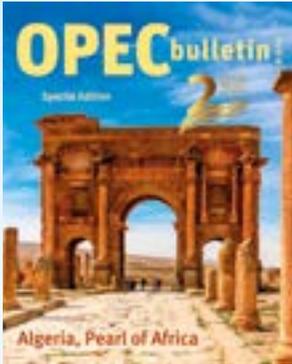


Source: Argus. Prices are average of available days.

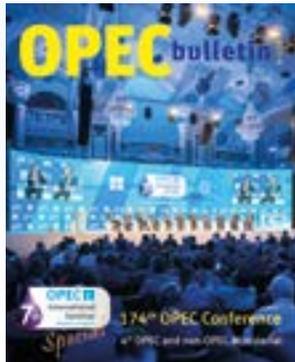
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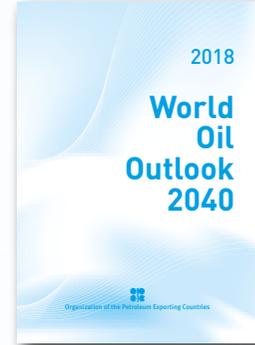
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