

OPEC bulletin

11/20



**EU, India, Russian
Federation, GECF,
IEA, IEF**

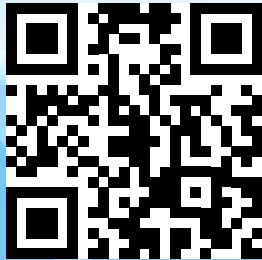
**Deepening Dialogues:
The importance of
multilateral cooperation**



OPEC

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It's good to talk (and listen) ...

As an intergovernmental organization and proud member of the multilateral system, dialogue is integral to OPEC and part of its *raison d'être*. This has been evident since the fledgling Organization found its wings on the banks of the River Tigris in Baghdad back in September 1960.

OPEC's first resolution, adopted at the inaugural Meeting of the OPEC Conference on September 14, 1960, put dialogue front-and-centre of the new Organization's *modus operandi*. This was reflective of the Organization's collective approach to tackling the prevailing industry challenges at that time and was the first expression of the Organization's commitment to dialogue and cooperation.

Perhaps of all the themes that have resonated throughout OPEC's history, this has been the most consistent. The Organization realized it could not operate in a vacuum and there was a need to explore and evolve dialogues with other producers, consumers and other international organizations.

This has advanced over the six decades of OPEC's existence and has intensified significantly in recent years. The fruits of this were on display over the past month, with a plethora of high-level dialogues with a variety of parties.

On October 22 there was the 7th Joint IEA-IEF-OPEC Workshop on the Interactions between Physical and Financial Energy Markets, which is just one part of the trilateral work programme established by the three organizations and endorsed by energy ministers at the 12th International Energy Forum in Cancún, Mexico, in March 2010.

The Workshop saw over 120 participants cover a variety of issues, focused mainly on the COVID-19 pandemic and its impact on the global economy, commodity markets, industry investment patterns, the energy transition and oil market volatility.

Just five days later, OPEC hosted the 14th High-Level Meeting of the EU-OPEC Energy Dialogue, a continuation of the well-established dialogue that began in 2005.

The frank and open exchanges focused on the ongoing impacts of the pandemic on energy markets, and looking longer-term, on the challenges of climate change and the energy transition, as well as the need for adequate and timely investments to ensure a lasting and sustainable recovery.

On November 3, the 7th High-level Meeting of the OPEC-Russia Energy Dialogue took place, with both parties emphasizing the strategic importance of the relationship between OPEC and the Russian Federation, not only at the bilateral level, but also through the 'Declaration of Cooperation' (DoC) and the 'Charter of Cooperation' (CoC).

Looking ahead, it was recognized that market challenges and

uncertainties remain, with both parties stating that they remained steadfast in their commitment to help rebalance the market and achieve a long-term sustainable stability.

The very next day saw OPEC and the Gas Exporting Countries Forum (GECF) hold their first high-level meeting, highlighting the growing cooperation between the two organizations.

It proved to be an opportunity for the organizations to discuss collaborative research activities as part of the multilateral cooperation, especially as the oil and gas industries continue to face major challenges related to the COVID-19 pandemic, and given that both oil and gas are essential to the energy transition, and in helping achieve a low-carbon energy system.

This was followed on November 5 by the 4th High-Level Meeting of the OPEC-India Dialogue, which also discussed the repercussions of the pandemic, longer-term prospects, and the fact that India's support for the producer-consumer dialogue has greatly contributed to the Organization's success in pursuing oil market sustainability in recent years.

India was also invited to join the CoC as a producer and major oil consumer, to benefit from exchanges and dialogue on relevant issues affecting the oil market.

What all these meetings also emphasized was the importance of the DoC in 2020, with participants embarking on the largest production adjustments, and for the longest period, in the history of the oil industry to help counter the unprecedented shock to oil markets. It was noted that the decisions taken have benefitted both producers and consumers.

The recent dialogues also underscore OPEC's commitment to making sure all industry stakeholders are listened to, and kept abreast of OPEC and DoC developments, particularly now in the lead up to the 180th Meeting of the OPEC Conference on November 30 and the 12th OPEC and non-OPEC Ministerial Meeting on December 1.

More dialogues are also set to take place following the Ministerial Meetings, with the 6th Technical Meeting on Asian Energy and Oil Outlook and 4th High-level Meeting of the OPEC-China Energy Dialogue scheduled for early December.

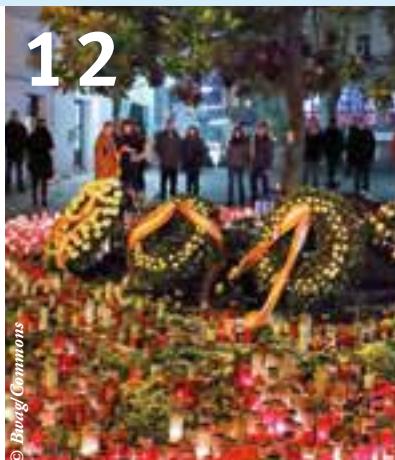
It was Winston Churchill that once said: "Courage is what it takes to stand up and speak; courage is also what it takes to sit down and listen."

Looking back on OPEC's history, the Organization has always been open to both.

Looking forward, we believe the importance of dialogue and the multilateral system will only intensify in the coming decades and OPEC will look to extend its role at the very heart of it. 



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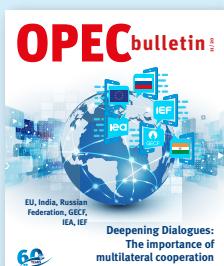
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OPEC Membership and aims

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



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G20 Saudi Arabia



Alamy

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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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JMMC stresses the ongoing contributions of the DoC to market stability

The 24th meeting of the Joint Ministerial Monitoring Committee (JMMC) took place amid elevated concerns about new waves of COVID-19 and stringent containment measures, but also hopes that promising vaccines will turn the tide in the struggle against the pandemic.



Meeting on November 17 for the seventh time this year, the 24th JMMC emphasized the ongoing contributions of the ‘Declaration of Cooperation’ (DoC) in supporting a rebalancing of the global oil market.

Mohammed Sanusi Barkindo, OPEC Secretary General, alluded to the formidable challenges, but also the promising developments in his opening remarks to the meeting. The session took place by videoconference against a backdrop of rising COVID-19 infections and strict new measures in some countries, including OPEC host Austria.

“The COVID-19 pandemic shows no sign of abating, ripping through regions, countries and populations as we head into the northern hemisphere winter,” Barkindo said. Although, he added, “the announcement of various COVID-19 vaccines with over 90 per cent efficacy rates, including Russia’s Sputnik coronavirus vaccine, has given a shot in the arm to the economic and oil demand outlook, offering some hope going forward.” He noted, however, that the benefits will take time to trickle through to the real economy, and oil demand growth.

“Governments have also continued to expand fiscal



Mohammed Sanusi Barkindo, OPEC Secretary General, alluded to the formidable challenges, but also the promising vaccine developments in his opening remarks to the meeting.



Abdelmadjid Attar, Algeria's Minister of Energy and President of the OPEC Conference.

stimulus measures,” he continued, “with many countries in Europe seeing a further monetary expansion to help their populations as they entered further lockdowns. Globally, these measures now total more than \$20 trillion, including guarantees, equivalent to 20 per cent of global GDP.”

From the perspective of assistance and recovery from the pandemic, Barkindo also recognized the leadership of Saudi Arabia in its support of developing countries through its G20 Presidency in 2020. “The country has been extremely active and supportive of developing countries as they look to navigate a path through the pandemic,” he said

A haven of reliability

The meeting took place on the same day that Austria, the OPEC Secretariat’s host country, implemented its second lockdown since March. The new measures, due

to remain in effect until early December, are some of the most stringent in Europe and come as countries across the region struggle to shore up health systems amid soaring virus cases.

HRH Prince Abdul Aziz Bin Salman Al Saud, Minister of Energy of the Kingdom of Saudi Arabia and JMMC Chairman, spoke of the risks, but also the positive developments in his opening remarks. He referred to the recent reports of progress on vaccines, as well as the promise of a resilient recovery in Asia, particularly China and India.

“But the good news was counterbalanced by a surge in cases in the second wave of infections, causing some big economies to impose new restrictions and reminding us that the virus still has the potential to upset recovery plans,” he said.

“There is still a way to go before we reach the other side of the long pandemic tunnel,” Prince Abdul Aziz added, before stressing the important role of the DoC in



HRH Prince Abdul Aziz Bin Salman Al Saud, Saudi Arabia's Minister of Energy and Chairman of the JMMC.



Alexander Novak, Co-Chair of the meeting and Deputy Prime Minister of the Russian Federation.



Ihsan Abdul Jabbar Ismaael, Iraq's Minister of Oil.

2020. "In the middle of these mixed signals, OPEC+ has been a haven of reliability, setting new levels of consistency and cohesion."

He noted that production adjustment conformity was at "record levels", while the results of overproduction compensation by some participating countries "have also been encouraging."

He urged "all the participating countries in the DoC to renew their determination to abide by the terms of the agreement that has greatly contributed to balancing the global markets."

In looking ahead, the Chairman went on to say that all DoC participants must be ready to react to evolving circumstance and "we must be ready to tweak the agreement if need be."

Historic year for OPEC

Abdelmadjid Attar, Minister of Energy of Algeria and President of the OPEC Conference in 2020, also stressed the significant contributions of the Organization and the DoC in unparalleled times.

"In 2020, this has been no easy task, but OPEC has continued to rise to the challenge and, in close partnership with our non-OPEC partners of the DoC, we have been able to provide a vital undercurrent of stability at

a time of unprecedented uncertainty and economic distress brought by the COVID-19 pandemic," Attar said.

He urged all OPEC Member Countries and DoC participants "to stay the course and remain committed to fulfilling our respective commitments. We must remain flexible and resilient, ready to adapt to the ever-changing dynamics of the market."

In wrapping up his remarks, Attar cited one of the Organization's great milestones of 2020. "In this historic year in which we are proudly celebrating OPEC's 60th anniversary, let us strive to write the next chapter in our history. It is my sincere hope that this new chapter would describe how OPEC joined forces with non-OPEC producers to overcome a global pandemic, ushering in a healthy, growing and prosperous global oil market once again."

Conformity remains high

The 24th JMMC marked the Committee's last scheduled meeting before the 180th Meeting of the OPEC Conference and the 12th OPEC and non-OPEC Ministerial Meeting, scheduled for November 30 and December 1, respectively, and the fourth anniversary of the historic DoC, which was signed by participating countries in Vienna on December 10, 2016.



Dr Khaled A Al-Fadhel, Kuwait's Minister of Oil, Chairman of the Board – Kuwait Petroleum Corporation (KPC).

Upon concluding the meeting, the JMMC emphasized the ongoing positive contributions of the DoC in supporting a rebalancing of the global oil market in line with the historic decisions taken in 2020 at the 10th (Extraordinary) OPEC and non-OPEC Ministerial Meeting on April 12 to adjust downwards overall crude oil production, and the unanimous decisions taken at the 179th Meeting of the OPEC Conference and the 11th OPEC and non-OPEC Ministerial Meeting on June 6 to reaffirm the April commitments.

In reviewing the crude oil production data for October 2020, the JMMC noted that the overall conformity level stood at 101 per cent. Participating countries have contributed to reducing the global supply by approximately 1.6 billion barrels, including voluntary adjustments. Moreover, the JMMC noted that countries compensated a total of 768,000 barrels a day (b/d) to make up for previously overproduced volumes, achieving a level of 99.5 per cent of the committed production adjustments since May.

Members expressed appreciation to the countries that have performed beyond expectation, particularly the United Arab Emirates and Angola. The JMMC also reiterated the critical importance of adhering to 100 per cent conformity, and compensating the overproduced volumes, to support a rebalancing of the market.

In addition, the JMMC took note of the robust demand in Asia and the positive news of possible vaccines against the COVID-19 virus, but pointed out that these developments have been overshadowed by the resurgence of COVID-19 cases in major economies.

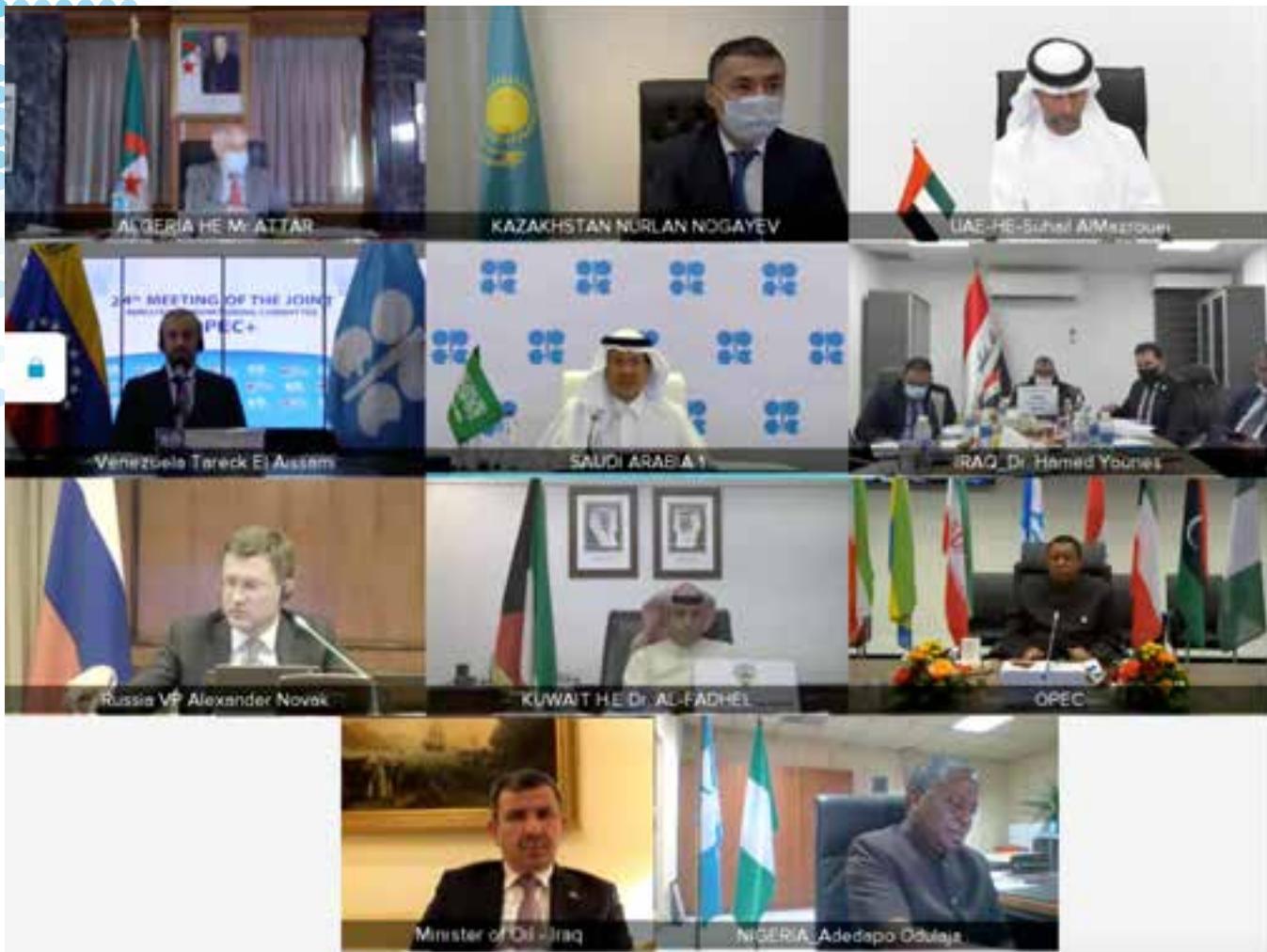
It also noted that more stringent COVID-19 containment measures across continents, including full lockdowns, are impacting the oil demand rebound and that the underlying risks and uncertainties remain high.

No time for complacency

The JMMC reminded all participating countries of the necessity to be vigilant and proactive, especially given the prevailing market uncertainties and prospects. It was a point referenced by Barkindo in his remarks.

“With the advent of second and in some cases third waves, we cannot be complacent,” Barkindo said. “We need to fully understand what is required, and be ready to adapt to any changing market dynamics to ensure we stay on the path that helps restore balance, and a sustainable stability to support growth and investments in the months and years ahead.”

He stressed that the DoC has achieved a number of hard-won successes in tackling the impact of the pandemic on the global oil market, and it was vital these



Delegates to the
24th JMMC.

were not lost. “We need the courage and flexibility we have all shown this year to take the decisions required ahead, one step at a time, guided by the data and robust analysis,” he concluded.

Accolades for Novak

Alexander Novak, Russia’s Minister of Energy since 2012 and co-chairman of the JMMC from its inception, received hearty congratulations from fellow members of the Committee on his promotion to Deputy Prime Minister.

“It is a thoroughly deserved recognition of his talents, hard work and diplomatic skills,” Barkindo told the JMMC. “We are also extremely happy to see Novak retain the DoC portfolio, and continue to be the reliable, dependable and judicious bridge linking OPEC and non-OPEC.”

Attar and Prince Abdul Aziz also applauded Novak on his new position and for his leadership in the DoC.

“We congratulate you on your new appointment as Deputy Prime Minister of the Russian Federation, and we wish you the very best in this prominent role,” Attar said. Prince Abdul Aziz said he looked forward “to continuing our close working relationship in these deliberations.”

Novak was appointed to the post on November 10, one week before the 24th JMMC Meeting. In his remarks, Novak thanked the committee for its recognition and went on to underline that “Russia continues to be a reliable partner” in the DoC and noted the DoC’s importance to the oil market and the global economy in general.

“Our joint actions have helped stabilize market conditions and we have had conformity levels exceeding 100 per cent for three straight months,” Novak said.

He concluded with the importance of continued monitoring of the market situation, and related issues, and for all participants to remain committed during the coming winter months, a relatively low demand season.

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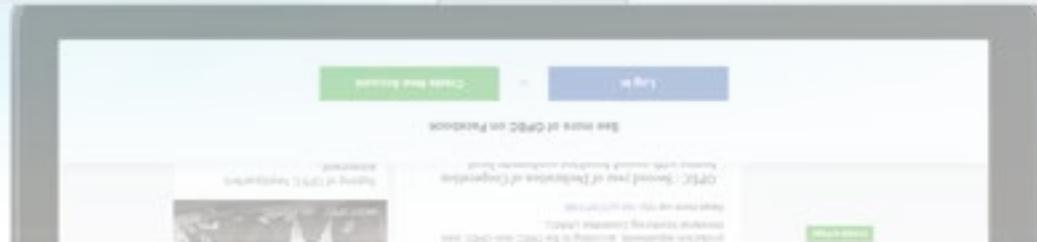
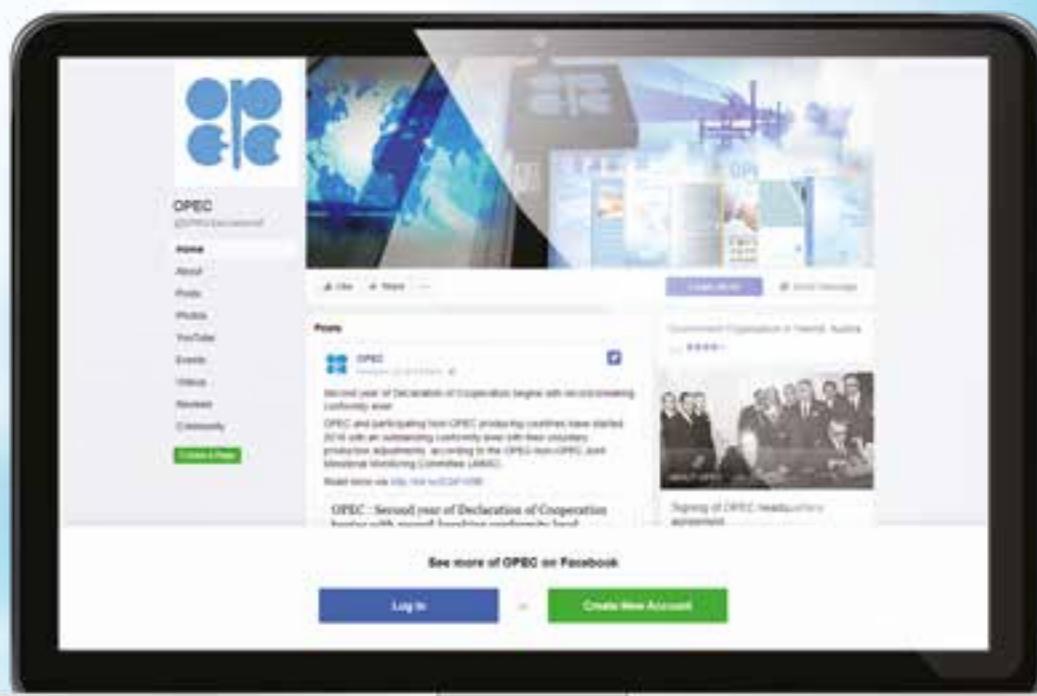
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The OPEC Family stands in solidarity with Austria after terror attacks in Vienna

On the evening of November 2, the city of Vienna was the target of a terror attack in its first district, with an attacker killing four people and injuring at least 22 others. The following is a statement issued by the OPEC Secretariat following the attack, in support and solidarity with its home city.

"The OPEC Secretariat was shocked and saddened with disbelief after receiving news of the horrendous events that took place in the heart of the beautiful city of Vienna yesterday evening (November 2). Our heartfelt condolences go out to all those affected.

The Organization offers prayers to those victims of this heinous attack, to those injured we wish a speedy recovery, and our thoughts go out to all the families and loved ones that have been impacted.

We express our strongest condemnation of these



In remembrance of the victims of the attack, the OPEC Secretariat held a one-minute silence on the morning of November 3 during the 7th High-Level Meeting of the OPEC-Russia Energy Dialogue.



and all other terrorist attacks solely aimed at taking human life and creating chaos. Indiscriminate acts of violence and hate can never be justified or tolerated, and we must be united whenever we are confronted by such actions.

OPEC stands in solidarity, hand-in-hand, with our

host city, Vienna, which we have called home for 55 years, and the Austrian people.”

In remembrance of the victims of the attack, the OPEC Secretariat held a one-minute silence on the morning of November 3 during the 7th High-Level Meeting of the OPEC-Russia Energy Dialogue.



Commemoration at Desider-Friedmann-Platz, centred with the wreaths of representatives of politics and religions on the evening of November 8, 2020.

OPEC & Russia: a transformative relationship

The 7th High-level Meeting of the OPEC-Russia Energy Dialogue, hosted by OPEC, took place via videoconference on November 3, 2020. The Meeting was co-chaired by Mohammad Sanusi Barkindo, Secretary General of OPEC and Alexander Novak, then Minister of Energy of the Russian Federation. The OPEC Bulletin reports.



Mohammad Sanusi Barkindo, OPEC Secretary General, and co-chair of the meeting.

The Seventh High-level Meeting of the OPEC-Russia Energy Dialogue took place the day after the Vienna terror attack on November 2, 2020. Both OPEC and the Russian Federation expressed their solidarity and support for the Austrian government and its people, offering their condolences to victims, their families and loved ones.

The OPEC Secretary General said: "This was an attack bringing fear and hatred into the life of the people of Vienna and Austria. We strongly and vociferously condemn such senseless acts of extreme violence and terror solely aimed at taking human life and creating chaos. We stand in solidarity with our host city,

Vienna, which we have called home for 55 years, and the Austrian people."

Novak in his opening remarks conveyed his heartfelt condolences to the people of Vienna and Austria following the tragic events. "Vienna is home to all of us. We offer our prayers and thoughts to the victims and their families," he said.

Force-for-good

Barkindo noted that this series of high-level meetings had begun in 2012, and Novak, had been present at every one of these meetings. He added that over the years he



had been instrumental in strengthening the dialogue. Moreover, with Novak at the helm, “this dialogue also provided the springboard to the historic ‘Declaration of Cooperation’ (DoC) and ‘Charter of Cooperation’ (CoC) that has evolved between OPEC and non-OPEC producers since 2016,” said Barkindo.

In looking at the tenets of the partnership, the OPEC Secretary General said that it “had evolved into a permanent, transformative force-for-good in the energy market; one that has had a profoundly positive effect on the industry and the global economy.”

He added that on occasions, he has been asked, what is the formula behind this flowering relationship?

times, rebalancing and stabilization in the oil market,” he said.

He also noted that “the platform that was laid with the DoC in 2017–19, has proven vital in 2020 when there was the need for swift, proactive and decisive action, given the lightening shocks that jolted the global economy and with oil demand dropping by more than 20 million barrels/day in April.”

Support from the Presidential level

The OPEC Secretary General also made reference to the staunch support and the leadership at the very highest



Alexander Novak, (then)
Minister of Energy, and
newly appointed Deputy
Prime Minister of the
Russian Federation.

He believed that the answer was simple, and summed up succinctly by the Russian playwright, Anton Chekhov, who once wrote: *“You must trust and believe in people or life becomes impossible.”*

Barkindo went onto elaborate on the value of the DoC, established on December 10, 2016, which has been central to help tackle two major oil industry downturns, the latter coinciding with a pandemic and huge turmoil in the global economic landscape.

“The three years that followed the signing of the DoC were characterized by disciplined implementation of the voluntary production adjustments; regular monitoring of the oil market conditions; and a gradual, albeit bumpy at

levels of government in the Russian Federation, which has been vital to the success of the DoC.

He stated that the President of the Russian Federation, Vladimir Putin, had been a leading advocate of this endeavour from the very beginning. “This includes his positive intervention at the 22nd World Petroleum Congress in Istanbul in October 2016, in support of joint market stabilizing efforts, and I personally recall my bilateral meeting with him on the sidelines of the 2nd Russia Energy Week, in Moscow in October 2018, where he reiterated his support.

He added: “President Putin’s continued pledges of support of all participating countries for their ongoing

commitment and contributions to sustainable stability in the global oil market have been vital, including a personal intervention to help deliver the historic April 2020 OPEC and non-OPEC Ministerial decisions.”

Russia’s views

Novak noted the high importance that the Russian Federation places on the dialogue with OPEC, and underlined the Secretariat’s fundamental role in the success of the DoC’s realization under the leadership of Barkindo. The Minister added that the strate-

of the relationship in 2020, particularly through the DoC, with participants embarking on the largest production adjustments, and for the longest period, in the history of the oil industry. This has helped counter the unprecedented shock to oil markets resulting from the COVID-19 pandemic and set them on a path to sustainable recovery.

The Parties also noted the high levels of conformity to these production adjustments, the encouraging momentum they had brought to the oil market and the knock-on positive effects to the global economy. However, both Parties recognized that challenges and uncertainties



gic relationship between OPEC and Russia has been instrumental in providing energy security and market stability for the industry and the global economy. “We highly appreciate the collaboration between OPEC and Russia,” he added.

Novak also underscored the significant and positive impact of the DoC and the CoC in ensuring much needed stability for the oil market since their inception in 2016 and 2019, respectively. These have been particularly valuable in the face of the current challenges related to the COVID-19 pandemic, and from this perspective, Novak also highlighted the efforts been undertaken by the Russian Federation to have a COVID-19 vaccine widely available in the near future.

Both Parties emphasized the strategic importance

remain, and stated that they continued to be steadfast in their commitment to help rebalance the market and achieve a sustainable stability. The press *communiqué* noted that “a balanced and stable oil market is a prerequisite for post-pandemic recovery, adequate investments and future prosperity for consumers and producers alike.”

Looking ahead

The discussions at the meeting also underscored the longer-term picture, with a presentation on the recent *World Oil Outlook 2020* from OPEC, and the Russian Federation presenting on the Energy Strategy of the Russian Federation in the period to 2035, as well as on the Industrial Initiative on the Standardization and

Certification of Oil and Gas Equipment as a potential vector of cooperation within the CoC.

The Russian Federation also noted that Participating Countries in the CoC could through the engagement of oil and gas companies look into opportunities for further cooperation on the technological and economic fronts. The Parties expressed their strong interest in looking to potentially evolve this initiative within the CoC.

A number of these issues were also raised by Barkindo in his remarks, who stated that the dialogue connected the short-, medium- and long-terms. To put it simply, he said that “this dialogue, and the broader CoC,



that can help unlock our carbon-free future. From the perspective of the dialogue, he said, “it is vital that we discuss how we can use this dialogue to elicit responses and actions on the energy transition; promote solutions to the environmental challenge that can be found in technologies, such as carbon capture utilization & storage and others, that reduce and ultimately eliminate emissions; and further energize the CoC, with its broad footprint as a platform open to all producers.”



will be vital to both the Russian Federation and OPEC as we look to navigate the future energy transition.

In this regard, he added “it is our deeply held conviction that we need to work together, step-by-step, and challenge the misconception that the oil and gas industries are not part of our energy future, and that the future is one that will be dominated by renewables and electric vehicles.

“The science does not tell us this; it tells us that we need to reduce emissions and use energy more efficiently. The stark statistics related to the blight of energy poverty do not tell us this either; they tell us that billions still need access to reliable and affordable energy.”

He noted that the oil and gas industries are part of the solution, possessing critical resources and expertise

The Secretary General concluded that in an ever more interdependent and global market, the challenges which this industry faces are inherently complex, and no single stakeholder possesses all of the answers or, indeed, knows all of the questions.

He added that “it is why we hold this OPEC-Russia High-level Energy Dialogue, and the broader DoC and CoC, in such high esteem. It is only through working together, with flexibility, commitment and pragmatism, that we can hope to surmount the obstacles we face.

Both parties agreed that the next High-level Meeting of the dialogue will take place in 2021, if possible in person, and will be hosted by the Russian Federation in Moscow.

Novak appointed new Deputy Prime Minister



Alexander Novak was recently appointed as new Deputy Prime Minister of the Russian Federation.

A few days after the 7th High-Level Meeting of the OPEC-Russia Energy Dialogue, Russian President Vladimir Putin appointed Alexander Novak as a new Deputy Prime Minister of the Russian Federation, with Nikolai Shulginov, head of the hydropower giant RusHydro, taking over as the new Energy Minister.

OPEC Secretary General lauded Novak's promotion stating that it was "very well deserved recognition of your tested and proven leadership qualities, and phenomenal accomplishments. As a rising star, your career prospects will continue to shine like a rising sun."

He added that "you have been the umbilical cord binding OPEC and non-OPEC; a reliable and dependable bridge for the 'Declaration of Cooperation' (DoC). Please accept our salutation of solidarity, comrade."

Novak has played a leading role in the realization of the OPEC and non-OPEC DoC and the 'Charter of Cooperation' (CoC), and will continue to play a vital role in their continued evolution and development.

His leadership proved critical to the joint decisions taken at the first OPEC and non-OPEC Ministerial Meeting back in December

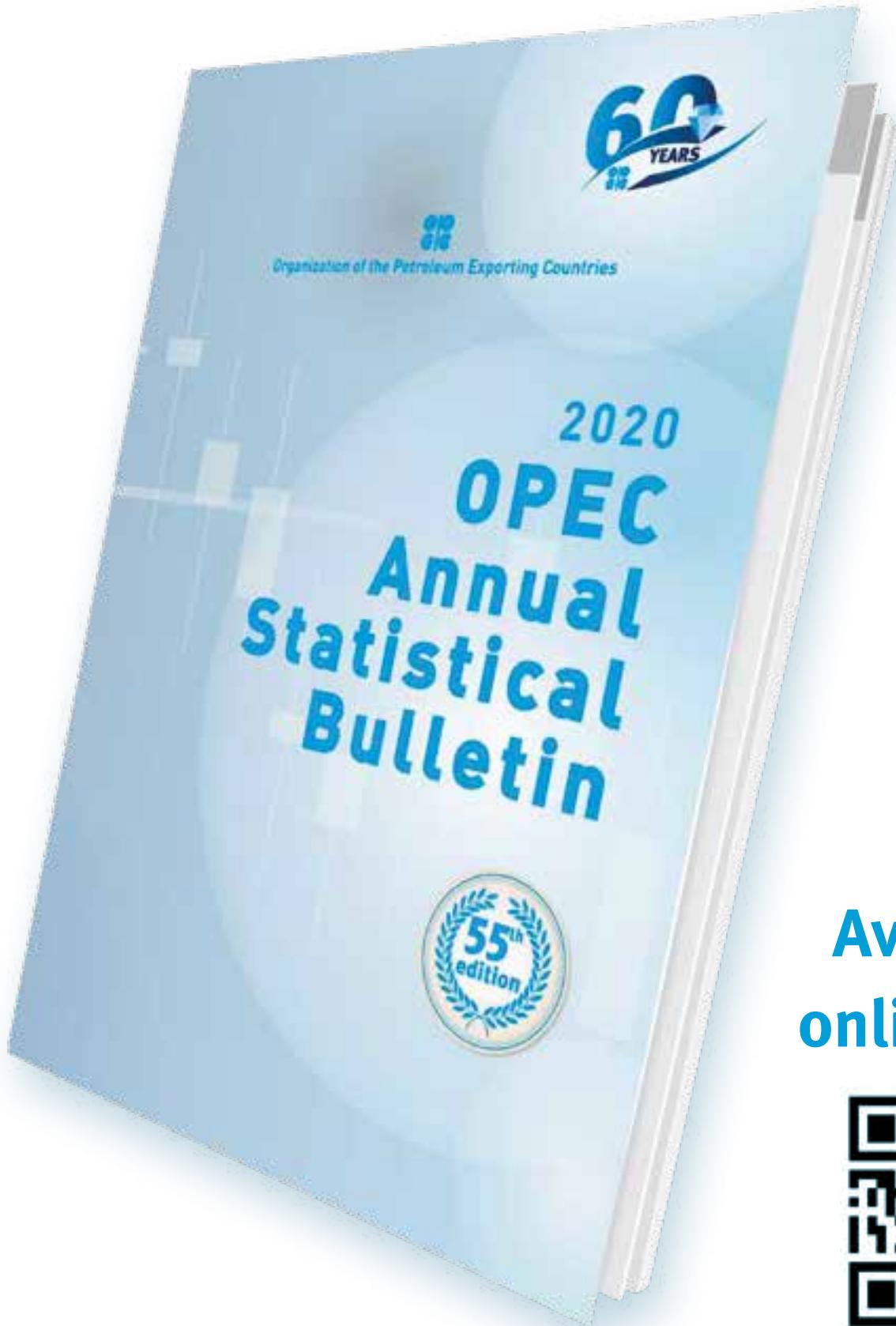
2016, and at subsequent Ministerial Meetings since, as the DoC has looked to rebalance the market and ensure that sustainable stability and much needed investments return to the industry. He has also co-chaired meetings of the Joint Ministerial Monitoring Committee (JMMC) since they began at the start of 2017.

Tireless efforts

Over the years Novak has been instrumental in strengthening and adding depth to this relationship between OPEC and the Russian Federation, which has seen collaboration on the G20 platform, the establishment of joint studies and workshops and the evolution of an internship programme. He has been present at every one of the High-Level Meeting of the OPEC-Russia Energy Dialogue, with the most recent, the seventh iteration) taking place on November 3 (see page 14).

His tireless efforts, his wise counsel, his strong support and his visionary contributions to the dialogue have helped ensure that it is always forward looking, proactive and focused. He has helped lead an unprecedented era of international energy cooperation between OPEC and the Russian Federation.





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OPEC and India reinforce bilateral dialogue



Mohammad Sanusi
Barkindo, OPEC
Secretary General.

The OPEC Secretariat hosted the 4th High-level Meeting of the OPEC-India Dialogue on November 5, 2020, via videoconference. The meeting was co-chaired by Mohammad Sanusi Barkindo, OPEC Secretary General and the Honourable Dharmendra Pradhan, India's Minister of Petroleum and Natural Gas and Minister of Steel. The OPEC Bulletin reports.

Since the adoption of the historic decisions taken at the 9th and 10th Extraordinary OPEC and non-OPEC Ministerial meetings, held on April 9–10

and 12, 2020, the Secretary General has prioritized conveying these decisions to OPEC's key strategic partners, as well as comparing notes on the situation related to

the COVID-19 pandemic. In May, this included a briefing with Sanjiv Singh, Chairman of Indian Oil, and key executives from the company, and in early June, Barkindo held a bilateral meeting with Minister Pradhan.

OPEC has evolved a close relationship with Pradhan and the ministry he leads, as well as with CEOs and high-

India continues to do so during the challenging period around the COVID-19 pandemic. Throughout the pandemic, OPEC has been in close interaction not only with producing countries, but also with major consumers, Barkindo noted.

He added that OPEC and the ‘Declaration of



level management of major Indian oil companies, and this was further reinforced at the 4th High-level Meeting of the OPEC-India Dialogue.

The dialogue meeting focused on the implications of COVID-19, with discussions on the repercussions of the pandemic and its significant impact on both the world economy and energy markets, including oil. Participants also deliberated on medium-term energy and oil prospects and challenges.

The OPEC Secretary General stated that India’s support for the producer-consumer dialogue has greatly contributed to the Organization’s success in pursuing sustainability of the oil market in recent years, and

Cooperation’ (DoC) have been addressing the unparalleled impact of COVID-19 and the resulting severe market imbalance through swift and informed actions. The unprecedented decisions by DoC participating countries have received broad support from both major producers and consumers, including at G20 ministerial meetings.

In looking at the challenges presented by 2020, Barkindo quoted Mahatma Gandhi, who once stated: “Strength does not come from winning. Your struggles develop your strengths. When you go through hardships and decide not to surrender, that is strength.”

The Secretary General continued: “We have certainly been confronted with difficulty, but in light of these

*The Honourable
Dharmendra
Pradhan, India’s
Minister of Petroleum
and Natural Gas and
Minister of Steel.*

“India is one of the world’s fastest-growing economies and a major driver of global economic and oil demand growth.”

extraordinary times, I can also say we have kept moving forward and thus also achieved great success, not least in the realm of multilateral dialogue.”

Over the past eight months, the DoC partners quickly and boldly moved to stabilize and rebalance the oil markets, adjusting down production over a two-year period, starting with 9.7 million barrels/day (m b/d) — the deepest and the longest adjustment in history, and nearly five times more than the historic adjustments made during the last downturn of 2014–16.

“This dramatic action has helped put markets on a path to rebalancing, though the road to recovery is most certainly still going to be long and wrought with difficulty,” added Barkindo.

India recovery and longer-term picture

Pradhan shared that India’s energy sector has shown remarkable resilience in the face of the COVID-19 pandemic with its energy demand almost returning back to pre-COVID levels, particularly for petroleum products. He noted that the consumption of motor spirit and high-speed diesel during the month of October exceeded the figures from 2019. He exhibited confidence that this recovery path in India’s energy demand growth will be sustained in the coming months.

The Minister also highlighted that this year India has filled strategic petroleum reserves to a capacity of 5.33 million metric tonnes (MMT) under Phase I of its SPR Programme. India will initiate the process of establishing another 6.5 MMT of commercial-cum-strategic petroleum storage at two locations. He invited OPEC Member Countries to invest in this opportunity.

Barkindo also noted that India’s fuel demand rose in September for the first time since June, as easing COVID-19 restrictions support economic activity and travel, according to government data, all good signs for the recovery.

He added, when looking at the global picture “although we find ourselves in a difficult situation, we are optimistic that the future will be much brighter and that the world will see a way out of this pandemic next year.” He said that overall oil demand growth, according to October *Monthly Oil Market Report (MOMR)* numbers, should reach +6.5m b/d in 2021.

Regarding the medium-term picture, OPEC’s recently released *World Oil Outlook (WOO)* indicates

that growth looks very, very upbeat for India. This is due to major structural reforms in 2017 and 2018, along with government-led stimulus measures in combination with a recovery in the global economy, the OPEC Secretary General said. After the 2020 slowdown, the economy is forecast to expand by more than six per cent for the rest of the medium-term period, accelerating slightly after 2022.

India has also been a forerunner in addressing climate change issues through its National Mission on Enhanced Energy Efficiency, along with strong support for renewables through subsidies and tax incentives and tightened fuel specifications. At the 4th Indian Energy Forum, held on October 26, which Barkindo attended, the Indian Prime Minister, Shri Narendra Modi announced new targets for the energy mix and outlined a new energy map of India focusing on seven key drivers (see page 42).

Barkindo recalled that Pradhan had also said at this event that “the energy agenda in India is inclusive, market-based, and climate sensitive ... I think the world will applaud that.”

The Secretary General continued: “With all its efforts, India’s primary energy sources are more flexible and diversified than in many countries, thus strengthening energy security. The WOO projects your transition to clean energy sources by 2045 will accelerate, with renewables accounting for about six per cent of the energy mix by the end of the outlook period.”

At the same, due to the rapidly growing need for energy in your ever-expanding country — it is expected to quadruple by 2045 — India is predicted to be the largest contributor to incremental oil demand over the longer term, adding some 6.3m b/d between now and 2045. With this in mind, the strengthening connection between OPEC and India represents a key element in energy security.”

Bilateral dialogue

In terms of the bilateral dialogue, the OPEC Secretary General said: “India is one of the world’s fastest-growing economies and a major driver of global economic and oil demand growth. With India importing around 80 per cent of its oil from OPEC Member Countries, and investment ties increasing with India, these talks are essential to all of us.”

Pradhan highlighted the need to work together with OPEC to jointly address the current energy challenges and



OPEC Secretariat staff
and India's government
delegates in attendance at
the videoconference.

in the post-COVID scenario and underlined the importance of the India-OPEC dialogue as a means to promote mutual understanding on key issues associated with the global oil sector.

The Minister highlighted that OPEC is critical for India's energy requirements as it caters to 78 per cent of India's crude oil demand, 59 per cent of liquefied petroleum gas (LPG) demand, and nearly 38 per cent of its liquefied natural gas (LNG) demand. In terms of value, India imported \$92.8 billion worth of hydrocarbons from OPEC Member Countries during financial year 2019–20.

Both sides drew attention to the close cooperation and engagement in many projects and investments between OPEC Member Countries and India, and other topical issues were addressed, including the Asian premium and term contracts.

It was noted that much has already been accomplished within the framework of the dialogue, including exchanges of data and technical meetings. Both parties reiterated the value of cooperation in many forms, including technical exchange, secondments, as well as joint research activities. India was also invited to join the 'Charter of Cooperation' as a producer and major oil consumer, to benefit from exchanges on pertinent issues affecting the oil market.

Prior to the High-level Meeting, experts from OPEC and India held their regular technical meeting to discuss matters of common interest and importance in the energy sphere, along with future potential activities.

The next High-level Meeting of the OPEC-India Dialogue will be held in 2021, if possible in person, in New Delhi.

EU-OPEC Energy Dialogue convenes to discuss pandemic impacts

On October 27, 2020, OPEC hosted the 14th High-level Meeting of the EU-OPEC Energy Dialogue via teleconference to discuss energy-related issues of mutual concern, the most urgent of which was the ever-evolving COVID-19 pandemic and its impacts on the world's energy markets. The OPEC Bulletin's Scott Laury reports.



Mohammad Sanusi Barkindo, OPEC Secretary General.

The OPEC delegation was led by Mohammad Sanusi Barkindo, OPEC Secretary General who opened the meeting by welcoming the EU delegation, which was headed by Kadri Simson, Commissioner for Energy at the European Commission.

Barkindo pointed out that the Dialogue, now in

its 14th iteration, was inaugurated in 2005 and is the first in a series of energy dialogues that have become a hallmark of OPEC's efforts to promote the producer-consumer dialogue, as well as with other producers. This series includes dialogues with China, India, the Russian Federation and US independent producers.

The high-level meeting follows on from a bilateral meeting that was held between both Heads of Delegation back in May 2020.

"I had the pleasure of holding a bilateral meeting with Commissioner Simson via videoconference on May 7, 2020," Barkindo stated. "Our discussions focused on the COVID-19 pandemic, which was wreaking havoc on the global economy and the oil market. We also discussed current and future plans for the ongoing EU-OPEC Energy Dialogue, which included the scheduling of this 14th High-level Meeting today."

The high-level meeting also comes on the heels of a technical meeting that was held on October 23 in which the parties were able to discuss the issues on the agenda for the high-level meeting and exchange respective energy outlooks.

"Many of these issues were discussed in detail at the 3rd Technical Meeting of the EU-OPEC Energy Dialogue, which took place last Friday," Barkindo stated. "OPEC presented the outcomes of our 2020 *World Oil Outlook*, which was released on October 8, and the EU shared with us its new energy framework. This meeting was very productive and served as a perfect tie-in to today's deliberations."

Responding to COVID-19

Both parties acknowledged the wide-reaching implications of the global pandemic for energy markets and the global economy.

The Secretary General commended Commissioner Simson for the EU's proactive stance in confronting the human and economic fallout triggered by the COVID-19 pandemic through its close collaboration with the European energy industry.

The parties also extolled the virtues of multilateral cooperation and dialogue as the best means to address and overcome global challenges such as the COVID-19 crisis.

"Only by working together with our global partners will we be able to clear this formidable hurdle and proceed on to a more stable and predictable world in which the economy and the energy markets can flourish once again," Barkindo added.

Contributions of the DoC

Commissioner Simson, in turn, recognized the highly successful efforts of the 'Declaration of Cooperation'

(DoC) producers in promptly responding to the unprecedented oil market shock that brought the oil industry to its knees.

"The EU has supported stability of the oil market through various measures in the interest of producers and consumers," she said. "Crucially, both the EU and OPEC have an interest in stability, and this is why easing global and regional tensions is at the core of the EU external relations policy. Stable, well-functioning energy markets can help stabilize global relations."

The Secretary General explained that the DoC response brought the industry back from the brink of collapse, helping calm markets and create conditions conducive to recovery.

"These cooperative efforts have provided a vital stabilizing force in the oil market, and more importantly, they saved this industry from a near collapse in the wake of 'Black Monday' on April 20, one of the worst oil shocks in history," he said. "Without these sacrificial contribu-



European Commissioner Olga Makina

The EU delegation was headed by Kadri Simson, Commissioner for Energy at the European Commission.

tions of the DoC, the oil market would clearly be much worse off today."

It was also noted that the DoC contributions to market stability have been repeatedly recognized and commended by global leaders from both the public and private sectors.



OPEC and EU delegates attending the deliberations.

"The effectiveness of this global energy cooperation has been lauded at the highest levels of government and by the G20 Energy Ministers at their April and September Meetings," Barkindo said. "In addition, the industry has benefited from the contributions of other producing countries who have voluntarily or involuntarily shut-in production."

In terms of the crucial issue of industry investment, both sides clearly highlighted the need for sustainable, adequate and timely investments to ensure a lasting, sustainable recovery.

Addressing climate change

On the challenge of climate change, the Commissioner noted that achieving net-zero emissions in the near future remains a priority for the EU.

Simson acknowledged, however, that oil will continue to be part of the EU's energy mix despite a forecasted reduction in its future share. It will be important, she added, to foster close cooperation among all industry stakeholders to ensure security of supply and sustainable stability.

The EU also emphasized the importance of balancing the post-COVID recovery with a transition to a climate neutral economy, and confirmed its commitment to a "green, digital and resilient recovery".

The Secretary General praised the EU's efforts in addressing climate change, emphasizing the need for comprehensive, all-inclusive solutions that meet the needs of developing nations.

"I laud the EU for the leadership role it continues to play in addressing climate change," he stated. "OPEC

continues to advocate for an all-inclusive solution to the twin challenges of energy access and climate change. There is simply no one energy source that can address the dual needs of energy poverty and future growth."

The path forward

Looking ahead, both the EU and OPEC recommended the enhancement of initiatives in global fora and relevant international energy organizations to promote cooperation and mutual understanding of the drivers and dynamics of energy markets, including through improved data and increased data transparency.

Before adjourning, both parties discussed future meetings and activities of the EU-OPEC Energy Dialogue, and announced that the next High-Level Meeting would take place in 2021, if possible in person, and would be hosted by the EU in Brussels.

In closing, the Secretary General expressed the urgent need of stakeholders across the industry to stay united in their fight against COVID-19 and other industry challenges.

"During times of crisis, such as this, dialogue and cooperation are even that much more essential, and that is why events such as this one here today must be prioritized," he said.

Barkindo then quoted UN Secretary General Antonio Guterres, who he described as "the world's leading advocate for multilateral engagement."

The quote stated: *"I am a multilateralist. I am deeply convinced that there is no other way to deal with global challenges than with global responses, and organized in a multilateral way."*

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

The three main objectives of the publication are to:

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

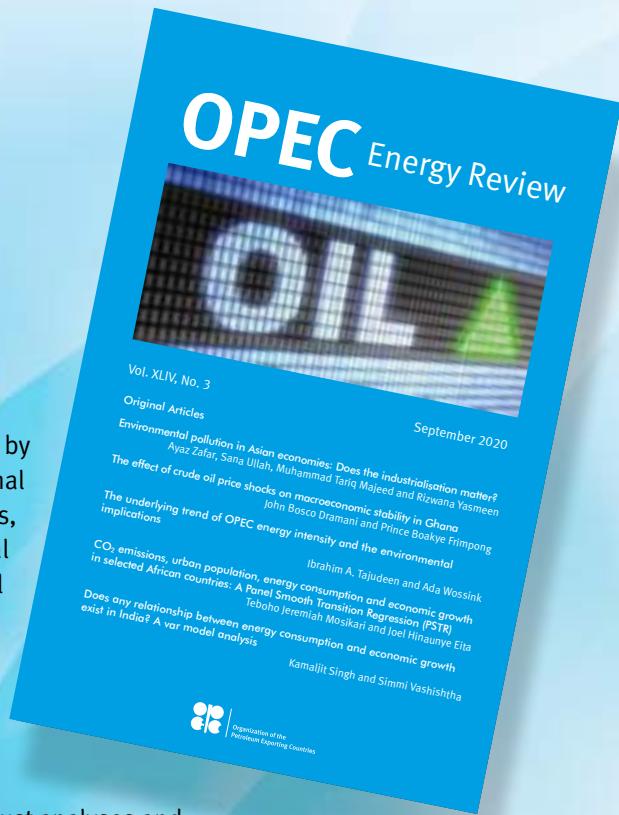
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OPEC and GECF hold inaugural high-level dialogue

On November 4, 2020, OPEC and the Gas Exporting Countries Forum (GECF) held their first high-level meeting, highlighting the growing cooperation between the two organizations under the framework of the OPEC-GECF Energy Dialogue. The OPEC Bulletin's Scott Laury reports.



The OPEC delegation was led by Mohammad Sanusi Barkindo, Secretary General.

The OPEC delegation was led by Mohammad Sanusi Barkindo, Secretary General, and the GECF delegation by Yury Sentyurin, Secretary General. Also in attendance was Rocio Nahle, Energy Minister of Mexico, which is a participating country in the OPEC and non-OPEC ‘Declaration of Cooperation’ (DoC).

In his opening remarks, the OPEC Secretary General made reference to the Memorandum of Understanding (MoU) that was signed between both organizations on October 3, 2019, to promote the “exchange of

knowledge, experience, views, information, data and practices in areas of mutual interest.”

“I remember the very engaging discussions that we had back in February of 2019 on the sidelines of the 9th IEA-IEF-OPEC Symposium on Energy Outlooks in Riyadh, Saudi Arabia,” he said. “We both agreed that closer cooperation between our two organizations was not only important, but would be mutually beneficial. The seeds planted during our initial discussions in Riyadh and Moscow and the subsequent signing of the MoU have culminated in this event here today — the

inaugural edition of the High-level Energy Dialogue with the GECF.”

Much in common

The commonalities of both organizations were highlighted by both parties during the discussions.

It was noted that both organizations share many of

One concrete example of this was the presence at the meeting of Mexico’s Energy Minister, Rocio Nahle. Mexico is a participating member of the DoC and the ‘Charter of Cooperation’ (CoC).

During the meeting, Minister Nahle emphasized the importance of the DoC and its achievements in enhancing global oil market stability. The Minister also commended OPEC and the GECF for their fruitful collabora-



The GECF delegation was headed by Yury Sentyurin, Secretary General.

the same Member Countries: Algeria, Equatorial Guinea, IR Iran, Libya, Nigeria and Venezuela. OPEC Member Countries Angola, Iraq and the UAE are GECF Observer Members.

“From the outset, OPEC and the GECF have much in common,” Barkindo stated. “We have some of the same Member Countries and share similar founding principles, values and priorities. And together, we supply a large part of the world’s energy needs.”

These commonalities, it was pointed out, will provide enhanced opportunities for cooperation among the wider framework of DoC countries who are Members of, or Observers to, the GECF.

tion in making this High-Level Dialogue possible as the global economy continues to recover gradually from the pandemic.

Technical meetings

In the lead-up to the high-level meeting, the parties held two technical meetings — the first in summer on June 22 and the second on October 19.

“These meetings served as valuable forums for engaging discussions on issues of common concern and helped us establish a solid platform for future collaboration,” the Secretary General remarked, adding,

"They also provided us the opportunity to chart out the future path of the Dialogue, both at the technical and policy-levels."

OPEC also attended the 3rd GECF Annual Workshop on Promotion of Natural Gas Demand on July 9, 2020, which provided an in-depth look at the ever-evolving landscape of natural gas demand and future prospects for demand growth.

Productive discussions

The first session of the dialogue featured presentations from both parties on the short-, medium- and long-term impacts of the COVID-19 pandemic on global energy markets.

In session two, OPEC provided its GECF counter-

globally and regionally and, that they will support the post-pandemic economic revitalization," Sentyurin stated.

Barkindo emphasized that all energies will be required to meet the burgeoning energy needs of a rapidly rising global population.

"Let me be clear, though, for the umpteenth time, that the world will require all forms of energy to meet long-term energy demand while also contributing to addressing other pressing issues such as energy poverty," he said. "Both crude oil and gas will continue to be essential to meeting the dire needs of developing countries as they continue to develop and expand their economies."

Collaborative research activities were also discussed as part of the multilateral cooperation, especially as the industry continues to face a major challenge from the



Mohammad Sanusi Barkindo, OPEC Secretary General, speaking from the OPEC Conference room at the Secretariat in Vienna.

parts with a presentation on the DoC, which is now in its fourth year, and on the longer-term CoC. After the presentation, both parties had the opportunity to discuss the dialogue's work programme and its roadmap for the rest of 2020 and for 2021.

Both parties underscored the importance of crude oil and natural gas to the world economy, as the two commodities, together, will continue to account for more than half the global energy mix.

"Although the current market conditions and lockdowns are multiplying throughout the world, we believe that the oil and natural gas industries will always be an essential element in achieving a low-carbon energy system

COVID-19 pandemic and its unprecedented fallout on energy markets and the global economy.

In this regard, Barkindo expressed his appreciation to the GECF for their expert contribution to OPEC's 2020 *World Oil Outlook*. The feature covered the subject of liquefied natural gas (LNG) and was entitled 'LNG prospects in the post-COVID-19 era'.

"This [contribution] provided expert insights into the very dynamic issue of LNG, adding value to this flagship publication," Barkindo said. "In turn, we look forward to having the opportunity to contribute an oil-related feature to the GECF's flagship publication, the *Global Gas Outlook*."



GECF and OPEC Secretariat delegates attending the deliberations.

Mutually beneficial partnership

The leaders of both organizations agreed that the budding relationship between the two would bring significant benefits to both.

"In a very short timeframe, we have launched with great success this mutually beneficial partnership, and look forward to building upon these key milestones today," Barkindo stated.

Sentyurin backed this up: "At the GECF, we firmly believe that our well-established OPEC-GECF energy dialogue serves as a foundation for the realization of valid policies that serve as a framework for international collaboration, and guarantee the much-needed security of supply and demand for oil and natural gas."

Before closing, it was announced that the next High-level Meeting of the OPEC-GECF Energy Dialogue would take place in 2021, if possible in person, and will be hosted by the GECF in Doha.

At the meeting's conclusion, Barkindo ended on a positive note, envisioning a bright future ahead for OPEC-GECF relations.

"We believe this is the beginning of a long and fruitful cooperation between OPEC and GECF," he said.

Emphasizing the importance of multilateral cooperation, Barkindo concluded with a quote from Japanese



Also in attendance was Rocio Nahle, Mexico's Energy Minister.

writer Ryunosuke Satoro: "*Individually, we are one drop. Together, we are an ocean,*" before adding himself: "May this spirit of teamwork and solidarity pervade our deliberations today and in the future."

OPEC attends 22nd GECF Ministerial Meeting

On November 12, 2020, the Gas Exporting Countries Forum (GECF) convened its 22nd Ministerial Meeting via videoconference. Secretary General, Mohammad Sanusi Barkindo, attended the event as an observer just one week after the inauguration of the highly successful OPEC-GECF High-level Energy Dialogue, which took place on November 4. The OPEC Bulletin's Scott Laury reports.



The ministerial meeting was chaired by Algeria under the Chairmanship of Abdelmadjid Attar, Algeria's Minister of Energy, who also serves as the President of the OPEC Conference in 2020.

This ministerial meeting was chaired by Algeria under the Chairmanship of Abdelmadjid Attar, Algeria's Minister of Energy, who also serves as the President of the OPEC Conference in 2020. The annual ministerial brings together heads of delegation from the 20 GECF member countries to discuss current issues related to the gas industry, as well as to set out policy and deliberate on administrative matters.

Opening session

During the opening session, heads of delegation were provided with the opportunity to address attending delegates before the closed session began.

The OPEC Secretary General, in his opening remarks, commended the exceptional leadership roles of Attar, who is currently chairing two of the energy world's leading organizations — OPEC and the GECF.

"This is a testimony, not only to your personal attributes as a leader and an astute diplomat, but also speaks to the prominence of Algeria as a leading provider of the world's precious oil and gas resources," he said.

Barkindo lauded the new heights reached in the ongoing, fruitful cooperation between the two organizations under the framework of the OPEC-GECF Energy Dialogue (*see page 28*).

In this regard, he recognized the leading role played by Yury Sentyurin, GECF Secretary General, in deepening the ties between both organizations.

Looking ahead, Barkindo underscored the importance of multilateral cooperation and dialogue to address global challenges faced by the industry.

"The potential of this dialogue is unlimited, and even that much more essential now, as, together, we seek to unite with all of our industry stakeholders to combat the ongoing challenges brought on by the COVID-19 pandemic and its massive repercussions for the energy markets," he stated.

Ministerial Roundtable

On November 11, the GECF hosted a Ministerial Roundtable under the theme '*Natural gas in a post-COVID-19 world*'.

In addressing the current global conditions resulting from the COVID-19 pandemic, the OPEC Secretary General said that the roundtable sessions "come at a pivotal moment in time as the world continues to grapple with a global health pandemic that has taken countless innocent lives and severely damaged both the global economy and the energy markets. Demand for both oil and gas has suffered massive declines, and we are continuing to fight back in our efforts to re-establish balance and stability."

The Secretary General commended the efforts undertaken by gas producers to reduce the natural gas stock overhang and alleviate market volatility in the wake of the COVID-19-driven drop in demand.

On the long-term global energy mix, Barkindo





Yury Sentyurin, GECF Secretary General.



Mohammad Sanusi Barkindo, OPEC Secretary General.

stated: "Natural gas will be the fastest-growing fossil fuel between 2019 and 2045 and, after oil, will remain the second-largest contributor to the energy mix in 2045 at 25 per cent." Rising demand for both oil and gas, he added, will be driven by increasing urbanization, industrial expansion and greater competitiveness over coal for power generation.

It was noted that the transportation sector will continue to be a prime contributor to energy demand, and the rising penetration of alternative vehicles are expected to impact oil demand growth.

The key issue of technology was also emphasized, especially in relation to efficiency advancements.

"Looking ahead, technology will be key on both the demand and supply sides of the equation with regard to efficiency improvements, cleaner end-use products and the continuous improvement of the environmental footprint," Barkindo stated. "This will be key for an inclusive approach in enhancing the environmental credentials of the entire energy mix."

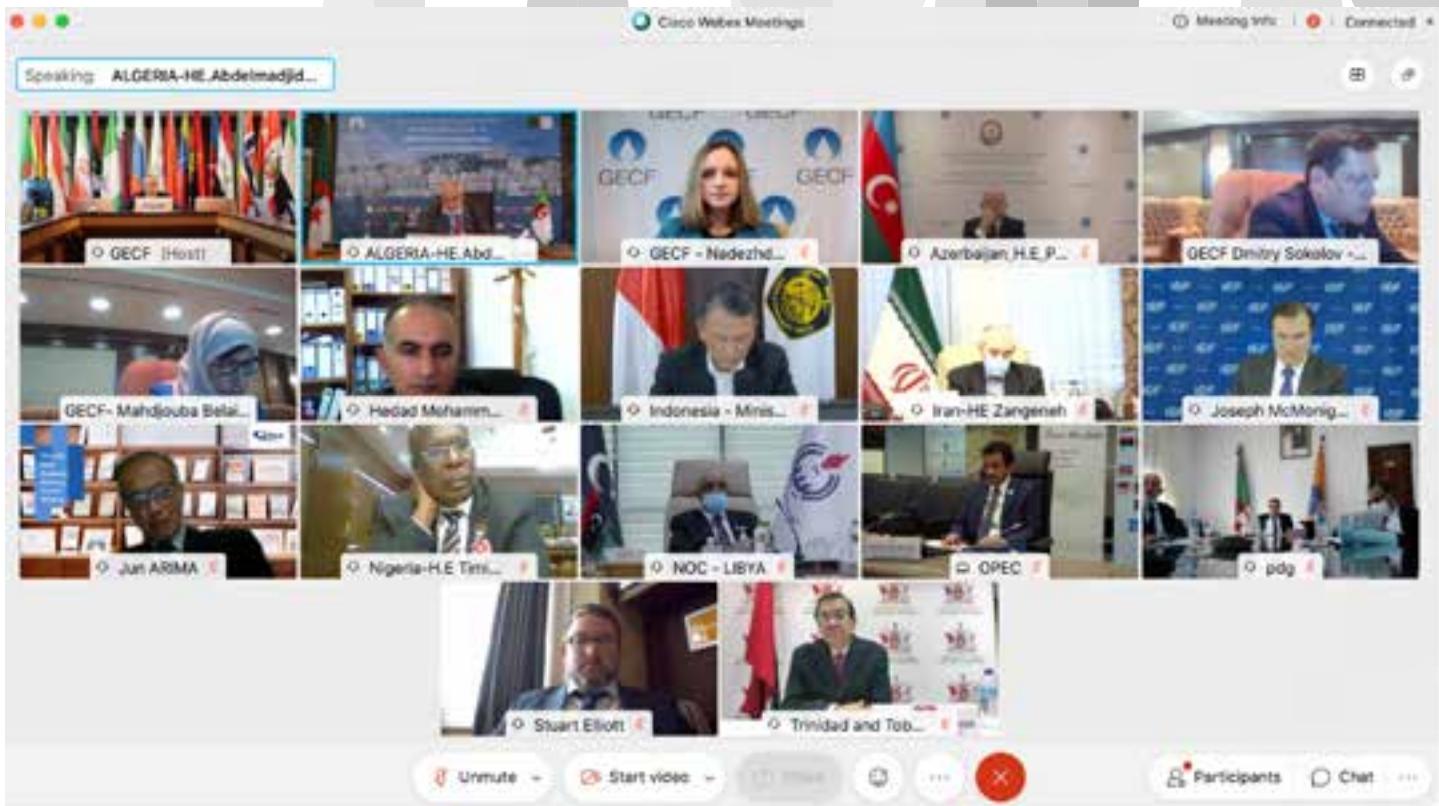
In terms of 'the energy transition', Barkindo underlined the need for these deliberations to be inclusive, leaving nobody behind.

"Key provisions of the Paris Agreement, particularly the need to support developing countries whose access to financing and technology is limited, must be adhered to," he added.

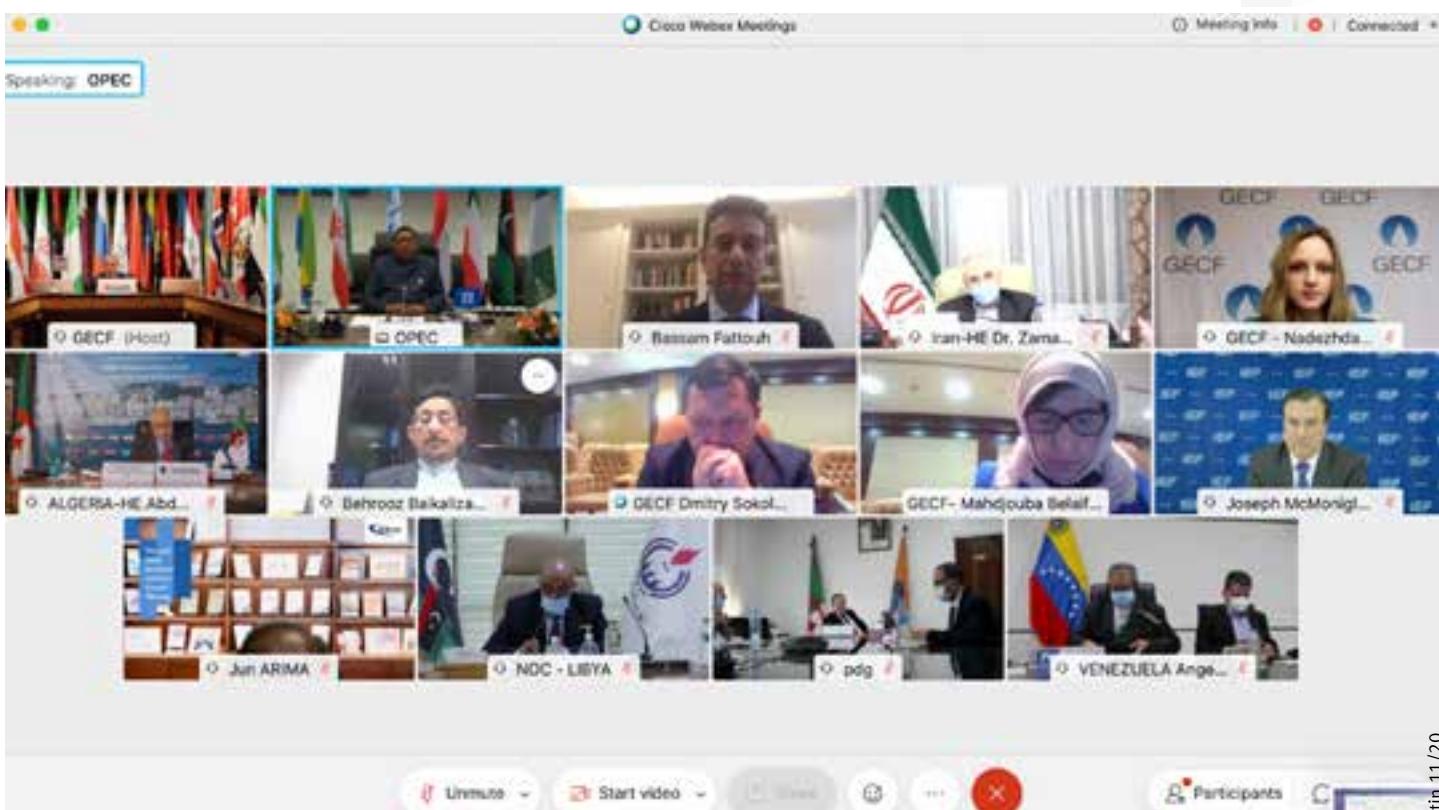
Finally, the OPEC Secretary General underlined the dire need for reinstating robust, long-term investment in the oil industry, noting that the total required cumulative investments are estimated at around \$12.6 billion through to 2045.

In closing, Barkindo thanked his counterpart at the GECF for his leadership and ongoing support for OPEC-GECF relations.

"Allow me to express my appreciation to Yury Sentyurin for his loyal support of this expanding initiative, and I look forward to a very bright future for the OPEC-GECF partnership," he concluded.



GECF and OPEC Secretariat delegates attending the 22nd GECF Ministerial Meeting.



A virtual ADIPEC 2020

In the second week of November, the eyes of the oil and gas industry always turn to the United Arab Emirates (UAE) and the Abu Dhabi International Exhibition and Conference (ADIPEC). This year with the COVID-19 pandemic keeping people at home, it was sadly not the welcome of Abu Dhabi that speakers and delegates were met with, rather a virtual world. The OPEC Bulletin reports on the OPEC Secretariat's engagements at ADIPEC 2020.



Dr Sultan Ahmed Al Jaber, UAE Minister of Industry and Advanced Technology and Group CEO of ADNOC, delivering his opening address to ADIPEC Virtual 2020.



Virtual 2020

9–12 November 2020

The countdown to ADIPEC 2020 was this year done online, with the event opening to CNN's John Defterios welcoming everyone to this year's edition. His first introduction was to Dr Sultan Ahmed Al Jaber, UAE Minister of Industry and Advanced Technology and Group CEO of ADNOC, the host of the event.

Al Jaber's opening keynote address to the 36th edition

75 million barrels/day (m b/d) of oil. In fact, by our estimates, oil demand fell below 90m b/d for only 12 weeks. So, we know the world still needs oil and gas. That is a fact," Al Jaber said.

He added: "We expect that oil demand will grow to over 105m b/d by 2030, and continue to supply over half the world's energy needs for many decades to come. At



CNN's John Defterios moderated the virtual opening to the event.

of ADIPEC, with almost 20,000 registered participants, emphasized the importance of the oil and gas industry in enabling economic development in the post-COVID recovery by ensuring a steady and reliable supply of energy to power growth.

He also highlighted the resilience of oil demand and stressed the need for the industry to balance caution with optimism, ensure business continuity and not lose sight of the long-term when facing the realities of a world turned inside out by the pandemic.

"For a start, we know the world will still need oil and gas when all of this is done. Even at the height of the lockdowns of March and April the world still consumed

the same time, the petrochemicals sector will continue to grow at a healthy pace through and beyond 2050, in line with a steadily expanding global middle class. These are long-term positive trends and they highlight the central role that our industry can and should play in a post-COVID recovery."

Ministerial-level panel

Following Al Jaber's opening address, Defterios introduced and moderated a high-level ministerial panel consisting of HRH Prince Abdul Aziz Bin Salman Al Saud, Minister of Energy of the Kingdom of Saudi Arabia, Suhail





John Defterios from CNN (r), moderator; HRH Prince Abdul Aziz bin Salman Al Saud (inset top l), Minister of Energy of the Kingdom of Saudi Arabia; Suhail Mohamed Al Mazrouei (inset top r), Minister of Energy & Industry, UAE; Mohammad Sanusi Barkindo (inset bottom l), Secretary General of OPEC; and Pavel Sorokin (inset bottom r), Deputy Minister of Energy of the Russian Federation.

Mohamed Al Mazrouei, the UAE's Minister of Energy and Infrastructure, Mohammad Sanusi Barkindo, OPEC Secretary General and Pavel Sorokin, Deputy Minister of Energy of the Russian Federation.

In his remarks, Barkindo highlighted the global importance of ADIPEC as a leading event in the energy sector, commending the organizers' efforts to hold it virtually amid the spread of the pandemic. He said: "There is no better time to hold this meeting, and take stock of what has happened in the last eleven months."

Declaration of Cooperation

In reviewing recent developments, it was evident that there was much focus on the 'Declaration of Cooperation' (DoC). In unravelling 2020, Prince Abdul Aziz began by highlighting that OPEC has always embraced a proactive approach, adding that this is best exemplified through the historic decisions taken by the DoC participants in April 2020.

This was also underlined by Al Mazrouei who iterated that DoC participants have demonstrated their strong commitment to a stable and balanced oil market in 2020, highlighting the extremely disciplined conformity levels to the production adjustments, as well as the importance

of the recently initiated compensation mechanism. He added that he was "proud of what has been achieved" by the DoC, and looked forward to working with all countries in the future.

Barkindo underscored the invaluable effort and support of OPEC and non-OPEC ministers in the DoC, specifically the extremely high-levels of conformity to the production adjustments. It has been an "extraordinary response, to these extraordinary events." He stated that OPEC and the DoC had risen to the challenge.

Barkindo also viewed the global economic picture through a "prism of optimism" and underscored the importance of economic stimulus packages to induce recoveries following the devastating impact of the COVID-19 pandemic.

In looking ahead, Prince Abdul Aziz emphasized the readiness and flexibility of the DoC countries to adapt and "tweak" course, as and when necessary, to navigate through the current conditions of the global oil market. He said that "it is a safe bet to bet on the resilience of OPEC+."

He also said he remained hopeful a vaccine for COVID-19 will soon be available and ready to be distributed worldwide, thus helping alleviate the unprecedented challenges brought on by the pandemic. It proved



Mohammad Sanusi Barkindo, OPEC Secretary General, attending ADIPEC 2020.

a prescient comment given that Pfizer and BioNTech announced only a couple of hours later that its COVID-19 vaccine prevented more than 90 per cent of infections in a study of tens of thousands of volunteers.

Beyond the near term

The session also provided commentary beyond the near-term, touching on such issues as the environment, sustainable development, investments and expanding cooperation.

Concluding his remarks, Al Jaber pointed out there is an opportunity for the oil and gas industry to mitigate climate change and ensure the industry's resilience by increasing carbon efficiency. He stressed every player has a role to play in enabling this goal. He noted that while ADNOC is already one of the least carbon-intensive producers in the industry, it is not resting on this position.

"We know that when the COVID pandemic fades into memory the world will still need oil and gas and will want that oil and gas to be as low-carbon as possible," he said. "In the next ten years, we will reduce our greenhouse gas intensity by a further 25 per cent. We will expand our carbon capture program so that it stores 5 million tonnes of CO₂ every single year."

Prince Abdul Aziz also underscored Saudi Arabia's

efforts in adopting wide reforms to diversify the country's energy sector, including the development of renewable energy, natural gas, and the circular carbon economy.

Another pressing issue discussed by the panelists was that of investment, specifically ensuring that the necessary investments are made to meet future energy demand. Sorokin noted that investment into the oil industry was vital to avoid any supply crunch as oil demand expands again in the years ahead, with oil remaining the backbone of the energy mix in the medium to long-term. "Oil is not an energy source the world can do without," he said.

Prince Abdul Aziz also noted that there is the possibility for future oil supply to not keep up with economic and oil demand growth, if investments are not made, and saw the potential for a supply capacity crunch and possible bottlenecks in the midstream sector.

To put the investment challenge into perspective, in OPEC' *World Oil Outlook 2020* it is estimated that that a huge \$12 trillion will be required for oil industry investment from now until 2045.

In looking at the challenges today, and in the years ahead, Barkindo underscored the value of cooperation and multilateralism.

He commended the huge cooperative efforts undertaken by participants in the DoC in pushing various



Pavel Sorokin, Deputy Minister of Energy of the Russian Federation.

boundaries in the interest of long-term global oil market stability during these extraordinary times. These exemplary actions can be viewed in OPEC, the DoC, and the ‘Charter of Cooperation’, he said, noting that the industry and stakeholders continue to appreciate the responsible engagements from these participating countries.

From the perspective of the recent US presidential election, Barkindo recalled the efforts that have been made by OPEC since 2016 to build a bridge of dialogue and

conversation with US tight oil producers and other stakeholders in the interests of oil market stability. He added that he hoped that constructive dialogue will continue and stated that “the energy transition and global conversation would be incomplete without the US at the head table.”

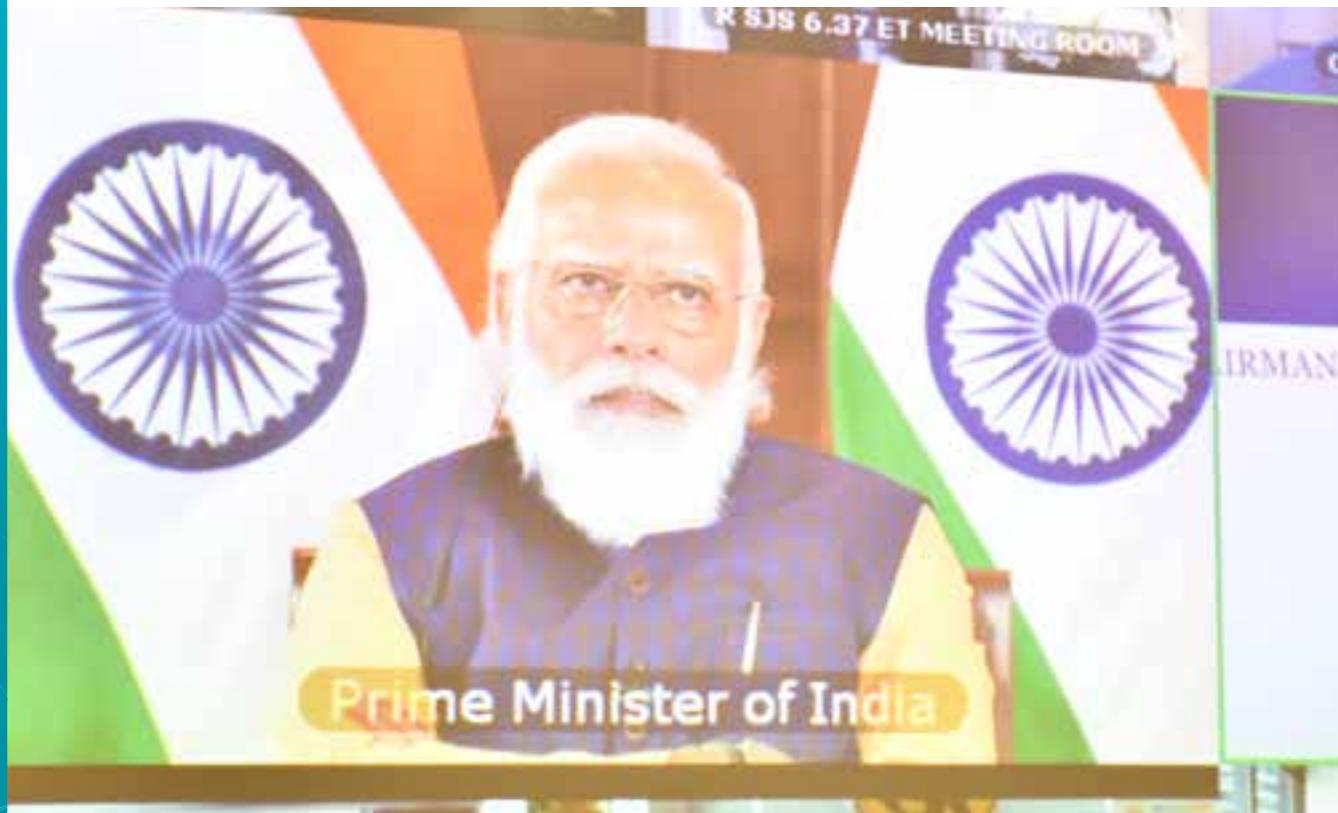
To augment the global energy dialogue, the OPEC Secretariat also presented the *WOO 2020*, in a special ADIPEC session, moderated by Dr Ayed Al-Qahtani, Director of OPEC’s Research Division.



In a special ADIPEC session, Dr Ayed Al-Qahtani (l), Director of OPEC’s Research Division, moderated the presentation of the *WOO 2020*.

India Energy Forum: Industry Insights

From October 26–28, 2020, global energy industry leaders convened virtually for the 4th India Energy Forum by CERAWeek. The event was opened with an inaugural address from Indian Prime Minister, Shri Narendra Modi, and was held under the patronage of Dharmendra Pradhan, India's Minister of Petroleum & Natural Gas and Minister of Steel, and the Indian Ministry of Petroleum & Natural Gas. With the OPEC Secretary General, Mohammad Sanusi Barkindo in attendance, the OPEC Bulletin reports.



India's Prime Minister, Shri Narendra Modi.

In his inaugural address to the forum, Indian Prime Minister, Shri Narendra Modi, underscored that India's "energy sector will be growth-centric, investor friendly and environment conscious" and that "a self-reliant India will also be a force multiplier for the world economy". He further elaborated that energy consumption in India is set to double over the long-term, and that access to energy should be affordable and reliable.

Reflecting on the government initiative's to realize these goals, he highlighted that the country is looking to grow its oil refining capacity to 450 million tonnes (m t) by 2025 from the current level of 250m t. Moreover, according to Indian government data, all villages have had access to electricity since April 2018, and the country is well on track to reach full electrification access before 2030.

He stated the importance of the country's efforts in terms of energy conservation and the environment. He noted that in the last six years, over 11 million smart LED street lights have been installed, which has realized huge

energy savings and significantly reduced greenhouse gas emissions. He added that India was on track to meet its COP 21 commitment of raising electricity generation from renewable energy sources to 175 gigawatts (GW) by 2022, and underscored that the government has further extended the target to 450 GW by 2030.

Looking ahead, Prime Minister Modi said that India's energy map will have seven key drivers.

- Accelerating our efforts to move towards a gas-based economy.
- Cleaner use of fossil fuels particularly petroleum and coal.
- Greater reliance on domestic sources to drive bio-fuels.
- Achieving the renewables target of 450 GW by 2030.
- Increasing the contribution of electricity to decarbonize mobility.
- Moving into the emerging fuels including hydrogen.
- Digital innovation across all the energy systems.



Mohammad Sanusi Barkindo, OPEC Secretary General.

Dharmendra Pradhan, India's Minister of Petroleum & Natural Gas and Minister of Steel.



Opening interactions

Following the inaugural address, Prime Minister Modi presided over an '*Interaction with global oil & gas leaders*', which included HRH Prince Abdul Aziz bin Salman Al Saud, Saudi Arabia's Minister of Energy; Dan Brouillette, the US Secretary of Energy; OPEC Secretary General, Mohammad Sanusi Barkindo; and Daniel Yergin, Vice-Chairman, IHS Markit.

There was widespread recognition of the expanding importance of India to the global energy picture, and the importance of dialogue and cooperation among all stakeholders.

In brief remarks, Barkindo emphasized that "OPEC truly values the positive relations that have evolved with India over the years, under the able and exemplary leadership of Prime Minister Modi, and the support of Dharmendra Pradhan, Minister of Petroleum and Natural Gas and Minister of Steel."

He added that "India's enthusiasm and encouragement for the producer-consumer dialogue has contributed enormously to the success that has been achieved in helping to restore stability to global oil markets in 2017–19, and then again given the unprecedented downturn in 2020."

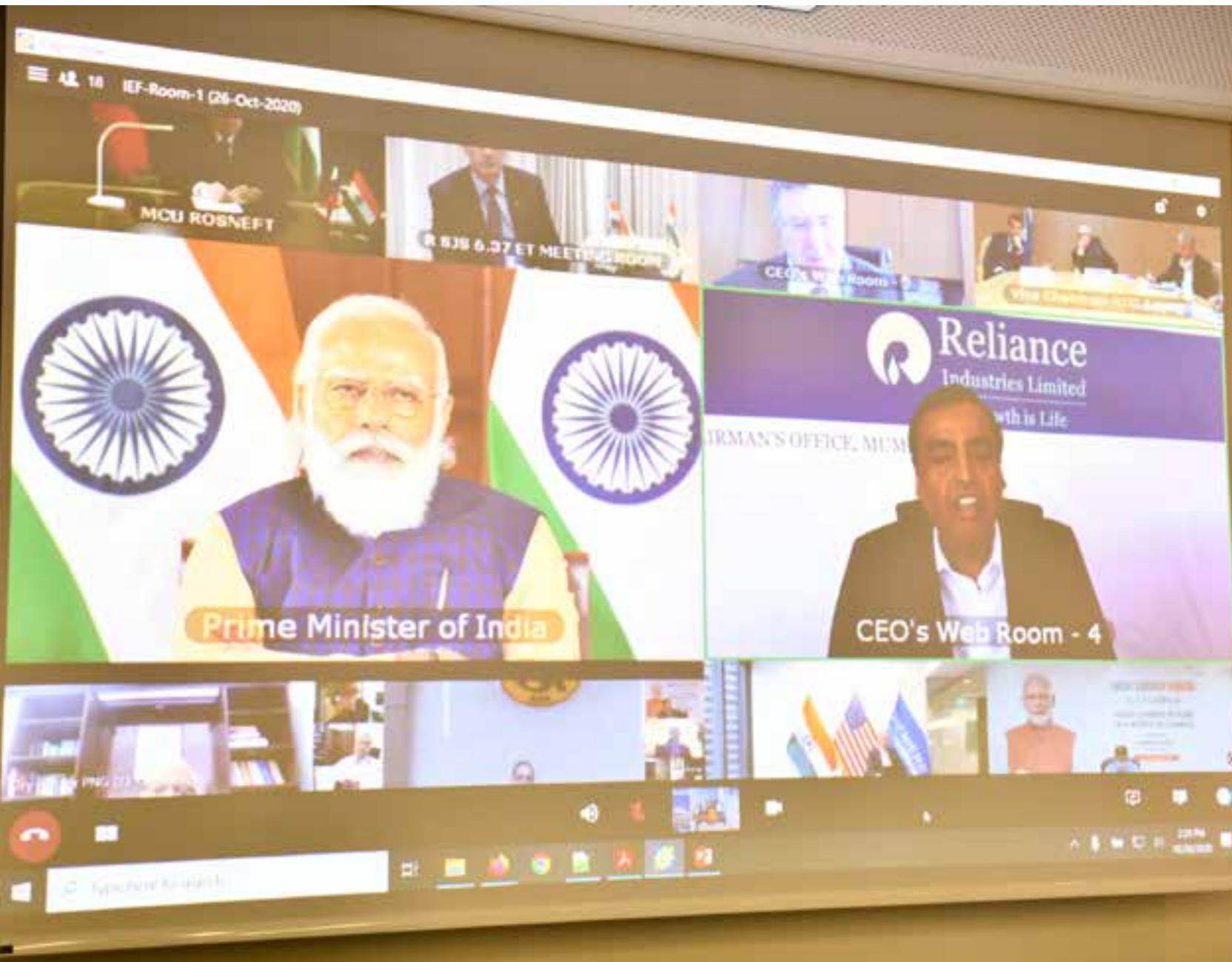
Barkindo also noted how India has become a global economic powerhouse, and with huge potential in the future. "In OPEC's World Oil Outlook 2020, we see India accounting for 16 per cent of the global economy by 2045, double that of today", he said, before

adding that "India's oil demand is forecast to rise from 4.7 million barrels/day (m b/d) in 2019 to 10.7m b/d by 2045, with its global share rising from 5.2 per cent to 10.8 per cent by 2045."

From the perspective of India and OPEC, Barkindo said that "India today imports around 80 per cent of its oil from OPEC and this level is expected to stay relatively stable in the period to 2045, and our Member Countries are forging ever-closer investment ties with your great country. This fully underscores the importance of the two-way energy security relationship between India and OPEC."

The Secretary General also stated that OPEC supports "India's visionary plans for the energy transition, and the role of oil and gas in this, as well as the huge success it has had in expanding energy access to all corners of India. This is testament to the country's socio-economic progress and commitment to sustainable development."

The issue of the energy transition was also underscored by Prince Abdul Aziz who noted in his remarks that "cleaner energy will be at the heart of the country's operations," which will put Saudi Arabia at the forefront of the energy transition. He noted that consumers now require clean energy, and at an event hosted by one of the world's largest consumers, underscored the importance of technologies in this regard. He added that "on the big issue of the day – climate change – Saudi Arabia is a firm advocate of the Circular Carbon Economy (CCE) and its 4Rs: reduce, reuse, recycle and remove."



Videoscreen showing some of the participants to the India Energy Dialogue.

Rounding up

In closing the three-day event, Pradhan said that the inauguration of the India Energy Forum for the first time by Prime Minister Modi was reflective of the importance that the government attaches towards improving energy security, architecture and the landscape of the country at a time when the COVID-19 pandemic is adversely impacting the global energy sector.

He also noted the many attendees from all corners of the world and thanked them for their participation, before turning his attention to what executives from India took from the event. "I am confident that the leaders of the Indian oil and gas industry not only contributed their experiences, but also will take home fresh ideas from the forum", he said.



G20 Saudi Arabia

The Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud opened the G20 Riyadh Summit.

Saudi Arabia holds successful G20 Riyadh Summit

On November 21–22, 2020, Saudi Arabia hosted a virtual meeting of leaders of the G20 under the theme ‘Realizing opportunities of the 21st century for all’. The two-day summit, the 15th meeting of the forum, brought together leaders of economies that account for about 85 per cent of global gross domestic product to discuss the most challenging socioeconomic issues. The OPEC Bulletin reports on a successful event.



G20 Saudi Arabia

HRH Prince Mohammed Bin Salman Bin Abdulaziz Al Saud, Saudi Arabia's Crown Prince.

When it was announced that Saudi Arabia would be the first Arab nation to assume the presidency of the G20, it was a clear sign of the country's expanding role on the global stage. An opportunity to showcase the Kingdom, and further evolve multilateral relations at the G20-level.

When Saudi Arabia embarked on the presidency at the start of 2020, little did the G20 know then how important 2020 would be in terms of working together. No-one knew how much the world would be turned upside down by the COVID-19 pandemic, which was referenced by the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud in his welcoming remarks.

He noted that this has "been an extraordinary year", with the COVID-19 pandemic causing "an unprecedented shock that affected the entire world within a short period

of time, causing global economic and social losses. Our peoples and economies are still suffering from this shock. However, we will do our best to overcome this crisis through international cooperation."

The pandemic and its repercussions had quickly become a central focus on G20 meetings throughout the year, but the original three key subject areas, under the overarching theme also provide scope for significant discussions and action. These three areas were Empowering People, Safeguarding the Planet, and Shaping New Frontiers.

Over the year, the Saudi Arabian Presidency held around 170 meetings involving ministers of finance, trade and investment, health, education, energy, climate, anti-corruption, agriculture, environment, employment, tourism, digital economy, water and foreign affairs.



COVID-19 pandemic

King Salman highlighted the importance of the near term in addressing the vulnerabilities exposed by COVID-19, while working to protect lives and livelihoods. He stated that “although we are optimistic

maintain the development already achieved over the past decades.”

These issues were all highlighted in the Leaders’ Declaration at the close of the two days, with the document saying “we have mobilized resources to address the immediate financing needs in global health to support



Participants of the Access to COVID-19 Tools (ACT) Accelerator Initiative.

about the progress made in developing vaccines, therapeutics and diagnostics tools for COVID-19, we must work to create the conditions for affordable and equitable access to these tools for all peoples.” He also stressed that at the same time, “we must prepare better for any future pandemic.”

There was also recognition from King Salman of the need for continued support for the global economy and the requirement to look to reopen economies and borders to facilitate the mobility of trade and people. He also underscored the importance of providing support to “developing countries in a coordinated manner to

the research, development, manufacturing, and distribution of safe and effective COVID-19 diagnostics, therapeutics and vaccines.

“We will spare no effort to ensure their affordable and equitable access for all people, consistent with members’ commitments to incentivize innovation ... We commit to addressing the remaining global financing needs, welcome the efforts made by the multilateral development banks to strengthen the financial support for countries’ access to COVID-19 tools, in line with existing multilateral efforts, and encourage them to do more. We recognize the role of extensive immunization as a global public good.”

The G20 Action Plan also set out key principles and commitments to drive forward international economic cooperation as “we navigate this crisis and take steps to support the recovery and achieve strong, sustainable, balanced and inclusive growth.”

The declaration added: “Our ongoing response to the

Building a resilient and long-lasting recovery

The Crown Prince also underlined the focus on building a stronger, more resilient and more sustainable world. He said that this is aligned with Saudi Arabia undergoing major economic and social transformation, “guided by



crisis caused by COVID-19 marks a defining moment in our history. Building on the benefits of our interconnectness, we will address the vulnerabilities revealed by this crisis, take the necessary steps to recover stronger, and work to ensure that future generations are safer than we have been.”

Saudi Arabia’s Crown Prince, HRH Mohammed Bin Salman Bin Abdulaziz Al Saud, in his remarks to the event said: “In order to confront this global threat facing all of humanity, the G20 took the initiative to adopt unprecedented measures and coordinate actions to deal with the pandemic and its aftermath.”

our Vision 2030, which aims to ensure that all of our citizens, especially women and youth, can seize the opportunities of the 21st century.”

This was evident in the declaration, with specific references to health and well-functioning, value-based, inclusive, and resilient health systems that are critical in the move towards achieving universal health coverage; to trade and investment and support of the multilateral trading system; to international financial architecture and a commitment to ensure a stronger global financial safety net with a strong, quota-based, and adequately resourced International Monetary Fund (IMF) at its centre;

G20 Riyadh Summit Leaders family photo launch.

Following the successful completion of the G20 Summit, King Salman formally handed over the G20 presidency to Italy, which will chair next year's leaders' summit. To mark the occasion Italy's Prime Minister Giuseppe Conte (r), delivered a short speech.

Reuters

to infrastructure investment as a driver of growth and prosperity and critical to promoting economic recovery and resilience; and the increasing importance of the digital economy.

Energy and environment-related issues

The declaration, under the heading '*Ensuring a sustainable future*', also highlighted a number of energy, climate and environment-related issues, noting that "we are committed to safeguarding our planet and building a more environmentally sustainable and inclusive future for all people."

It recognized "the importance of expediting universal access, relying on innovation across fuels and technology options, to affordable and reliable energy for all, in accordance with national circumstances, including ensuring access to clean cooking and electricity." In this regard, it added "we recognize the importance of utilizing the widest variety of fuels and technology options, according to national context, and leading energy transitions to realize the '3E+S' (energy security, economic efficiency, and environment + safety)."

It also acknowledged "the importance of maintaining undisrupted flows of energy and exploring paths to enhanced energy security and markets stability, while promoting open, competitive, and free international energy markets."

The declaration also endorsed "the Circular Carbon Economy (CCE) Platform, with its 4Rs framework (reduce, reuse, recycle and remove), recognizing the key importance and ambition of reducing emissions, taking into account system efficiency and national circumstances. The CCE is a voluntary, holistic, integrated, inclusive, pragmatic, and complementary approach to promote economic growth while enhancing environmental stewardship



through managing emissions in all sectors including, but not limited to, energy, industry, mobility, and food."

Successful outcome

Following the successful completion of the G20 Summit, King Salman formally handed over the G20 presidency to Italy, which will chair next year's leaders' summit.

Delivering a short speech to mark the occasion, Italy's Prime Minister Giuseppe Conte said a decision had been taken that the focus of the world's premier forum for economic cooperation would continue to be "people, planet and prosperity."

He told fellow G20 leaders: "In order to achieve a safe and sustainable world, we must first restore the balance between people and nature. On this basis, we will then support economic recovery, advance women's empowerment, and address poverty and inequalities, both new and old, so that no one is left behind."

The G20 will, he added, "facilitate energy transition and combat climate change, tap the immense opportunities stemming from digitalization and enhance the multilateral trade system, based on the principles of transparency, non-discrimination and inclusivity, in order to adopt a true and efficient multilateral approach."

In his closing remarks, King Salman said although it was the first time Saudi Arabia had held the presidency, it was able "to rise to the challenge", amid the unparalleled COVID-19 pandemic, with the support of those in the G20.

He said we "have achieved a lot this year" and in referring to the final statement, he said: "It is my honour to announce that the G20 members have adopted this *communiqué*. This is what the world has been expecting from us. This achievement today is a culmination of our joint efforts throughout this challenge-fraught year."

In looking ahead, and specifically the role of Saudi Arabia, he added that "due to its unique stature regionally and internationally, interconnecting three continents and lying at the intersection of emerging and developed markets, the Kingdom will continue to play a key role within the G20 to achieve global cooperation and find solutions to the world's most pressing challenges."

In concluding, he said: "Our joint and individual actions will be critical in overcoming the immediate global challenge we are facing. Looking forward, through empowering people, safeguarding the planet and shaping new frontiers, we will work on laying the foundations to achieve the main theme of our presidency: realizing opportunities of the 21st century for all."





HRH Prince Abdul Aziz bin Salman Al Saud, Minister of Energy of the Kingdom of Saudi Arabia, chaired the G20 Energy Ministers virtual meeting on September 27–28.



Saudi Arabia hosts Global Artificial Intelligence Summit

The Kingdom of Saudi Arabia has been a leading force for global development since its foundation. The current leadership, under the guidance of the Custodian of the Two Holy Mosques, King Salman Bin Abdulaziz Al Saud, has continued with this tradition to elevate the Kingdom's status at the international level. In line with these efforts, the OPEC Member Country hosted the Global Artificial Intelligence Summit on October 21–22, 2020, attended by high-level officials, as well as representatives from public and private sectors and academia. The OPEC Bulletin's Ayman Almusallam files this report.

AI



Reuters

The Global Artificial Intelligence Summit was held under the patronage of HRH Prince Mohammed bin Salman bin Abdulaziz Al Saud, the Kingdom's Crown Prince, Deputy Prime Minister, and Minister of Defense.

The year 2020 has seen Saudi Arabia rise to unprecedented heights in the domain of international cooperation and multilateralism, coinciding with the Kingdom holding the presidency of the G20 during a period of unseen challenges and volatility due to the impacts of the COVID-19 pandemic.

Leading by example, Saudi Arabia has looked to reach out to all stakeholders to find a pathway through the pandemic and build a better and brighter future. This is also exemplified through the prominent role that the country has undertaken in OPEC affairs, specifically the development and implementation of the historic ‘Declaration of Cooperation’ (Doc) and the recent production adjustment decisions taken in April and June 2020, as well as the longer-term ‘Charter of Cooperation’.

Inaugural summit

This championing of cooperation has also filtered through in other areas, evidenced in the first edition of the Global Artificial Intelligence (AI) Summit.

Under the patronage of HRH Prince Mohammed bin Salman bin Abdulaziz Al Saud, the Kingdom’s Crown Prince, Deputy Prime Minister, and Minister of Defense, the Saudi Data and Artificial Intelligence Authority (SDAIA) and the G20 Secretariat organized the summit,



*The Custodian
of the Two Holy
Mosques, King
Salman Bin
Abdulaziz Al Saud.*

which brought together decision-makers and various stakeholders from the public and private sectors, including technology firms, entrepreneurs, start-ups, investors and academics, to dialogue and converse on the future of AI.

Talks focused on exploring the possible transformation that the world may face if AI technologies are adopted in other areas, its potential to shape the future, as well as possible implications on related policies.

The event was also attended by a number of high-level dignitaries, including Eng Abdullah Al-Swaha, Saudi Arabia’s Minister of Communications and Information



Reuters

The international gathering was opened with remarks from HRH Prince Mohammed bin Salman bin Abdulaziz Al Saud, which were delivered on his behalf by Dr Abdullah Alghamdi (pictured above), President of the Saudi Data and AI Authority (SDAIA).

Technology and Chairman of the G20 Digital Economy Ministers Taskforce; Dr Abdullah Alghamdi, President of the Saudi Data and AI Authority (SDAIA); Omar bin Sultan Al Olama, the UAE's Minister of State for Artificial Intelligence, Digital Economy and Remote Work Applications; Ahmad Hanandeh, Jordan's Minister of Digital Economy and Entrepreneurship; Stella Tembisa Ndabeni-Abrahams, South Africa's Minister of Communications and Digital Technologies; Dr Esam Alwagait, Director of Saudi Arabia's National Information Center; and Dr Majid Altuwaijri, CEO of Saudi Arabia's National Center for AI.

Gathering from, and for the future

The international gathering was opened with remarks from HRH Prince Mohammed bin Salman, which were delivered on his behalf by SDAIA's President, Alghamdi.

The Crown Prince underscored the significance of adopting AI technologies and unlocking what they can offer to benefit the human race. He emphasized Saudi Arabia's leading role in alleviating the digital gap that exists between developing and developed nations, specifically highlighting the challenges the world has encountered in 2020.

He also lauded the efforts undertaken to hold the landmark summit, noting that it had already become one of the largest AI events globally. He added that technology and AI, in particular, are playing a central role in

evolving a new world and underscored the possibilities of AI's positive influence on sustainable development.

The potential for AI to support cooperation and inclusive participation over competition were also recognized at the summit, underlining the value of these pioneering technologies when leveraged in a responsible manner.

Innovators, investors and opinion leaders were also invited to join Saudi Arabia's efforts to develop pioneering models to allow the potential of AI and data to help foster a knowledge-based economy not only for the current generations, but for generations to come.

The summit also witnessed the convening of a consultative meeting to discuss a proposal to establish an advisory body of the United Nations focused on AI, which underscored the necessity for a body to lead efforts associated with AI and promote its use in a responsible, reliable and sustainable fashion to serve human beings and achieve prosperity.

Historic success

The two-day event was held in hybrid fashion, with some attending the summit in person and others participating virtually. The live broadcast, which was relayed through social media, saw an impressive four and a half million views.

The event featured 30 sessions and the participation of almost 60 speakers, which included ministers and leaders, entrepreneurs and investors, as well as specialists and academics, from 20 countries. The sessions focused on four key themes: *Shaping the new normal, AI and leadership, AI cooperation, and the Future of AI*.

In a press release, the organizers highlighted that the summit's key objective is to build constructive "dialogues of global importance, whether in terms of recovering from the pandemic or the trends that shape the field of AI," adding, "these dialogues will help develop strategies necessary to establish an effective and influential system for artificial intelligence, encourage cooperation between leaders in this field," and explore strategic options.

The summit also held contests that focused on the use of AI in our lives.

The International AI Art Competition focused on giving inspiring innovators the opportunity to utilize AI technologies in designing artworks. Among the key criteria set to choose winners were creativity and technical skills, including the use of advanced AI applications.

The NEOM challenge was another competition. This

requested participants to develop innovative solutions for the forward-thinking city of NEOM in regard to three main domains: energy, mobility and entertainment. The competition was directed to university students with an aim to “empower the national youth capabilities, encourage innovation and creativity, and raise the awareness of AI locally,” the organizers said in a press release.

Future strategies and agreements

The summit also witnessed the release of new strategies and the finalizing of new partnerships to spearhead efforts to realize more resilient and stable economies, not only in Saudi Arabia, but globally too.

Saudi Arabia announced during the summit its National Strategy for Data and AI (NSDAI), which aims to drive the Kingdom to become a global leader in the field of AI by 2030 and rank among the top data-driven economies. The national strategy supports the objectives of Saudi Arabia's historic roadmap — Vision 2030.

The multi-phase strategy aims to set AI as the core focus of the Kingdom's development and growth plans, with a solid vision focused on becoming a centre for best data and AI practices. The strategy also recognizes the need for an inclusive approach, through which regulations, innovation, policy, skills and research jointly interact for a better tomorrow.

Alghamdi said at the launch: “The National Strategy for Data and AI sets the direction and foundations upon which we will unlock the potential of data and AI to fulfil our national transformation priorities and establish Saudi Arabia as a global hub for data and AI.”

The national strategy also acknowledges the essential role of developing the necessary supporting framework to attract investment, as well as a befitting ecosystem.

The Kingdom also finalized a partnership with the World Bank to bolster the developing countries' economies and provide them with the opportunity to boost AI technology development. The agreement seeks to propel growth, while managing related risks through the deployment of AI.

Alwagait, the Director of Saudi Arabia's National Information Centre, stated that the cooperation serves the goals of Vision 2030 embraced by the Kingdom. It aims to unlock the country's potential to help developing nations.

Alwagait also noted that the landmark partnership intends to begin with helping Africa and extend its coverage to a broader platform at a later stage.

Additionally, SDAIA signed major agreements with three international companies — IBM, Alibaba and Huawei — as well as a memorandum of understanding with the International Telecommunication Union.

OPEC and AI

Technologies and information play a vital role in the field of energy. This was evidently in mind when the OPEC Secretariat organized the Second Workshop on Energy and Information Technology in September this year via videoconference.

The workshop, which featured discussions on the latest developments in areas including blue hydrogen and digitalization trends, saw the participation of 200 delegates from OPEC Member Countries, industry, government and research institutions.

OPEC Secretary General, Mohammad Sanusi Barkindo, said: “The energy industry, particularly the oil sector, has always been eager to utilize and develop the latest cutting-edge technologies to improve efficiency and effectiveness of its operations, along with its environmental credentials.”

The Secretary General highlighted the impact of COVID-19 on steering the digital era, as it has brought tremendous changes to ways of working. “Without IT, none of us would be participating in this workshop. Despite social distancing and other measures to contain the pandemic, we have been conducting business as usual thanks to innovations in remote communications and operations,” he said.

The workshop also addressed robotics, cyber security, AI, and blockchain technology, and their potential to drive innovation.





L-r: Keisuke Sadamori, Director of the Office for Energy Markets and Security at the International Energy Agency (IEA); Joseph McMonigle, Secretary General of the International Energy Forum (IEF); and Mohammad Sanusi Barkindo, OPEC Secretary General.

IEA-IEF-OPEC Workshop highlights impact of COVID-19 on energy markets

The 7th Joint IEA-IEF-OPEC Workshop on the Interactions between Physical and Financial Energy Markets was held via videoconference on October 22. The event looked at the effects of COVID-19 on the global economy and commodity markets; the investment dynamic and how this has been impacted by this year's pandemic, including prospects for the years ahead; possible developments and shifts in the energy transition; and exchange-traded funds (ETFs) and future markets, in light of the huge oil market volatility experienced in 2020. The OPEC Bulletin reports.



The 7th Joint IEA-IEF-OPEC Workshop on the Interactions between Physical and Financial Energy Markets was co-chaired by OPEC Secretary General, Mohammad Sanusi Barkindo, together with Joseph McMonigle, Secretary General of the International Energy Forum (IEF), and Keisuke Sadamori, Director of the Office for Energy Markets and Security at the International Energy Agency (IEA).

With over 120 participants, from all corners of the world, the workshop held under the Chatham House Rule proved again that stakeholders continue to interact and continue to do business, despite the challenges brought about by the COVID-19 pandemic in 2020.

The event represents one of three regular dialogues held under the IEA-IEF-OPEC joint work programme, which was established and endorsed by energy ministers ten years ago at the 12th International Energy Forum in Cancún, Mexico, in 2010. The other dialogues are the Symposium on energy outlooks and the Symposium on gas and coal market outlooks.

Unprecedented 2020

In his opening remarks, the OPEC Secretary General said “the importance of this dialogue has been brought home to all of us in 2020. The effects of the COVID-19 pandemic on the oil market have been unparalleled.”

He recalled: “Large-scale oil demand destruction, at a level never witnessed before; global storage capacity shrinking fast; a massive supply and demand imbalance, that required the ‘Declaration of Cooperation’ (DoC) to embark on bold and decisive production adjustments, the largest and longest in the history of the industry; and, production being shut in elsewhere.”

Addressing participants, he also highlighted how the day of April 20, 2020, underscored the relationship between physical and financial markets, when the

price of West Texas Intermediate (WTI) in the futures market plunged into negative territory. He said the day has been described as “scary and visceral” and recalled that “WTI broke below \$1, less than 30 minutes before the settlement, but in those final 30 minutes it dropped another \$38!”

He also noted that actions taken by participants in the DoC have “been pivotal in reducing volatility and bringing back some semblance of stability to the market”.

McMonigle said that complex physical and financial energy market dynamics are better understood, better regulated, and more transparent since we launched our dialogue in response to the global financial crisis a decade ago. However, as “the COVID-19 pandemic shows, unforeseen external shocks will continue to surprise. The pandemic calls for dialogue on physical and financial energy market links focused on energy stability, to broaden perspectives on investment, energy access, and climate neutral growth.”

Sadamori noted that COVID-19 has disrupted energy markets in unprecedented ways and this will have a long-lasting impact. He said that since the negative price witnessed in April for WTI, the oil market has started to re-balance and since mid-June there has been more stability. Stability is exactly what we need, he said; it is a chance to draw breath and adapt to the COVID-19 world.

Sadamori added that “at the IEA, we remain committed to improving dialogue and we are working more closely than ever with our colleagues in OPEC and the IEF in trying to understand the extraordinary energy markets we are seeing in 2020.”

“... the importance of this dialogue has been brought home to all of us in 2020. The effects of the COVID-19 pandemic on the oil market have been unparalleled.”

Three sessions

Discussions during the videoconference were structured into three sessions, all of which covered the impact of the COVID-19 pandemic.

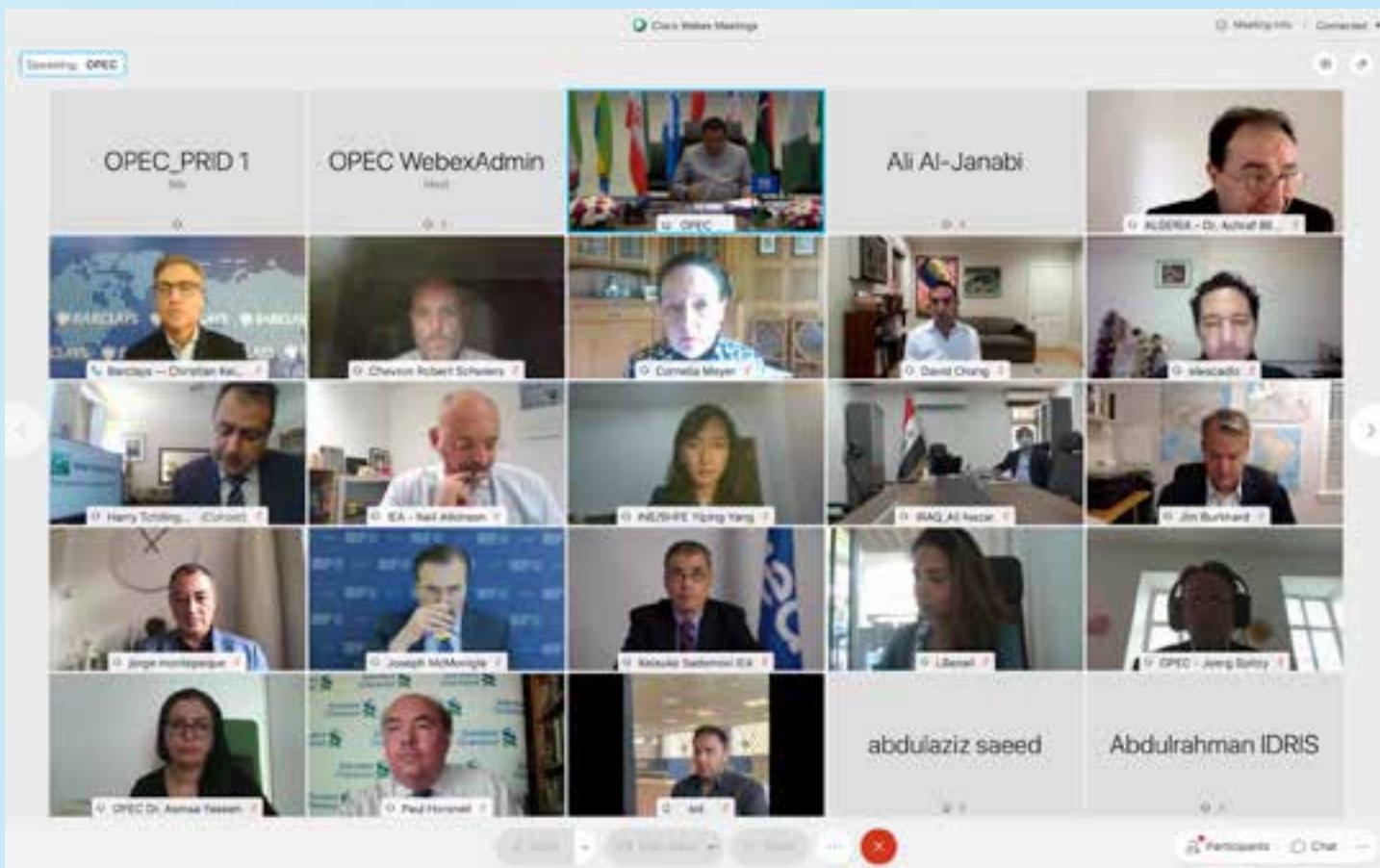
The first session was on the '*Impact of COVID-19 on the global economy and commodity markets*'. The focus was on providing a high-level overview of how the knock-on impacts of the pandemic has rippled through the global economy and commodity markets: Which countries and what industries have been impacted most? And what are the prospects for recovery in the rest of 2020 and into 2021?

The second session considered the '*Global oil industry investment patterns and dynamics in light of COVID-19 and the energy transition*'. This was an extremely important topic given that the current crisis has evidently been a serious blow to investment. The market collapse has already pushed some energy companies over the edge

and poses an existential threat to others, on top of the fact that there was already a shift in interest away from oil by some institutional investors.

The session also looked at how to better understand the potential dynamics of the energy transition, where and what investment is required and what each energy can provide, specifically while balancing the needs of people in relation to their social welfare, the economy and the environment.

The final session looked at '*ETFs and the futures markets: lessons from recent oil market volatility*'. This examined the latest developments in various regional crude exchanges; explored the increasing involvement of ETFs in setting the crude futures benchmarks; and highlighted how these have recently contributed to rising price volatility and the recent significant disconnect between the futures and physical benchmarks seen during COVID-19, most dramatically on April 20 this year.



Highlights

The Workshop offered a variety of opinions, and saw wide-ranging discussions, with some key highlights including:

- From the perspective of the global economy, there was a general feeling that it will take years for it to fully recover from the 2020 economic recession. Moreover, there has been a permanent loss of economic, as well as energy, growth potential as a result of the pandemic.
- It was noted by a number of speakers, however, that while this year's economic fall has been deeper than 2008/2009, the overall recovery may be faster. Economic activity has rebounded better than initially feared, particularly in industrial production, albeit with some large regional differences. It is evident that China's economic rebound leads the way.
- There were also discussions about the huge benefits of the unprecedented combined fiscal and monetary stimulus, but also some of the future challenges related to such issues as longer term 'economic scarring' and the possible consequences of high-debt levels.
- In terms of oil, some speakers highlighted how oil's recovery has significantly lagged other commodities and financial markets, and has stalled somewhat in the third quarter with the onset of second waves of COVID-19.
- Although it was clear from discussions that the market has benefitted from the DoC production adjustments, in terms of market balance and stability.
- Looking at the long-term oil market outlook, it was apparent that base case assumptions see oil demand still rising in the decades to come, similar to the *World Oil Outlook 2020 Reference Case*.
- However, speakers noted that it was clear that the oil demand trajectory is being questioned by some in the investment community and alternative scenarios point to downside risks for oil demand growth.
- Another key issue was the energy transition, and how COVID-19 is shaping the future energy picture, particularly through technologies and policies. Here, some discussions highlighted the importance of implementing an effective and just energy transition and that the oil and gas sector has a role to play. Additionally, it was also noted how vital energy access is in the energy transition.
- There was also a lot of talk about investments. Some suggested that capital may struggle to return to the oil and gas sector, with the COVID-19 pandemic accelerating Environmental, Social, and Corporate Governance (ESG) and climate trends, significantly raising the bar for investing in the oil and gas sector.
- In this regard, the question was raised: could an investment shortfall in oil and gas set a trajectory of a very tight market and a possible supply crunch in the future?

At the conclusion of the Workshop, the three organizers thanked participants for their engaging and frank discussions on such complex and evolving issues and looked forward to convening the next joint workshop, hopefully person-to-person, at some point in 2021.



IEF head interviews Barkindo in inaugural podcast

Joseph McMonigle, Secretary General of the International Energy Forum (IEF) since July of this year spoke to OPEC Secretary General, Mohammad Sanusi Barkindo, in a ‘Dialogue Dispatch’ in early November on the subject of ‘Tapering supply for tapering demand’.



Joseph McMonigle, Secretary General of the IEF.

The inaugural podcast from the IEF Secretary General initially covered the topic of the COVID-19 pandemic and lockdowns, and what to expect for the rest of 2020 and into 2021.

In response, the OPEC Secretary General said that in order to properly address this subject, it is vital to

look back over the year and the demand shock that was witnessed, with demand falling by over 20 million barrels/day (m b/d) at one point in April. He said that OPEC and the participants in the ‘Declaration of Cooperation’ (DoC) faced up to this shock and took historic supply adjustment decisions, adding that although the industry



Mohammad Sanusi Barkindo, OPEC Secretary General.

“Demand is recovering, so also is the global economic rebound, but at a very slow speed. We would have preferred to see an accelerated recovery.”

is in the process of recovery, it had been hoped that there would have been a stronger rebound in the second half of 2020, both for global economic growth and oil demand growth.

“Today we see headwinds. Demand is recovering, so also is the global economic rebound, but at a very slow speed. We would have preferred to see an accelerated recovery.”

Demand for the year is expected to shrink by about 9.5m b/d, hinging on a GDP contraction of just over four per cent, he said (*the numbers are from the OPEC 2020 October MOMR*). The outlook for 2021 is being encumbered by a resurgence of the virus in major demand centres, added Barkindo, meaning the recovery may take longer than projected, and the rebound for 2021 will be in the region of about 6.5m b/d, also

hinging on a GDP recovery of around 4.6 per cent. However, these projections are dependent on the progress of the pandemic, he noted. The strong second wave of COVID-19 now being experienced in Europe and the US will “most certainly dampen the momentum we were experiencing in the third quarter,” said Barkindo.

When asked about the upcoming OPEC Ministerial Conference and OPEC and non-OPEC Ministerial Meeting, Barkindo said it will be one of the most important conferences in the history of OPEC because of the uniqueness of the 2020 super-cycle. “We had taken historic decisions in April and in June to confront what would have been a real catastrophe for the industry. Now we are in the process of implementing those decisions,” he said, adding that a marathon of meetings will lead up to these high-level meetings and support Ministers in determining the next best step.

China and Asia

Currently, the main drivers of demand are China and Asia, concurred both Barkindo and McMonigle, with the OPEC Secretary General adding it was pleasant to see

China and India registering strong demand growth, especially in the transportation fuels, minus jet kerosene. He added that OPEC numbers show demand in transportation fuels in these countries has returned to pre-COVID levels, with some fuels even surpassing those levels. He said that although China will continue to pull the Asian market out of its slump, the impact of COVID-19 is still very noticeable in India.

The Secretary General stated that the combination of protocols, lockdowns and the cooperative response of the Chinese people to the authorities have yielded the desired result in containing the spread of the virus and had a multiplier effect on the Chinese economy and demand recovery. “We hope that they will be able to not only build, but sustain this very strong recovery, because it is very positive for the overall global economy recovering, considering the size of China.”

Investments

Investment was the next topic in the podcast, with both leaders expressing worries about a lack of investment in the industry, which could be of particular concern if demand rebounds quickly during the recovery from the pandemic. The IEF Secretary General asked Barkindo if he was concerned about a supply shortfall in that case, to which he answered: “It is not only concerning, but in my opinion it is worrisome, because as you recall during the last cycle, to be specific in 2015–16, we saw for the first time two consecutive years of severe contraction in investment across the supply chain over the upstream, midstream and downstream, cumulatively over 50 per cent. We had not yet recovered in terms of return of investment capital in the industry ... and now we are faced with this unprecedented ... market in 2020 as a result of the pandemic.”

Investment is expected to contract massively this year, possibly up to 30 per cent, stated the OPEC Secretary General. “It is absolutely necessary for government, industry and the banking community to elevate this issue, including the IEF and OPEC, to top priority, for the fundamental reason that what we are seeing may be sowing the seeds for another supply crunch going forward, which would not be in the interests of the global

community ... It is a critically important issue that needs a global industry response.”

US outreach

McMonigle then quizzed Barkindo about OPEC's developing engagement with US producers. The OPEC Secretary General said that in the midst of the last crisis it became clear that to effectively restore stability to the market during that cycle, OPEC had to reach out to non-OPEC producing countries. It became clear that “such an alliance would be incomplete without the US. The US is not only a major consuming centre globally, it is also the largest producer and a growing exporting country with a global reach.

“In addition, it is also the home for many technological advancements in this industry, which the industry will badly require in the energy transition to make oil and gas competitive in environmental and climate terms going into the transition.”

Thus, when the DoC was signed on December 10, 2016, its participants agreed that OPEC should reach out to US producers, Barkindo said. The OPEC Secretary General said there was some skepticism that the producers would be open to meet, but they were welcoming and positive, with a very large attendance by US companies at an initial meeting in Houston, Texas.

“We agreed at this initial meeting four years ago that we had more in common than what divides us and we belong to the same boat. It is the same industry, and we produce in the same global markets and, therefore, this dialogue was not only in the interests of OPEC, but also producers in the US and by extension the global industry.”

He appealed to McMonigle to promote a further strengthening of this dialogue to bring it to the next level and help facilitate future dialogues. “This transition requires the US industry to lead in it; we need to work with them and together ensure that oil and gas remain the fuel of choice for the foreseeable future,” said Barkindo.

Climate change and the future

The two Secretaries General then talked about climate change, with Barkindo outlining the history of OPEC's involvement in United Nations climate change talks. He said that when the talks began it became clear that OPEC needed to have a seat at the table, adding that OPEC Member Countries also disproportionately feel the effects of climate change. It took time for other delegates to accept OPEC Members as dialogue partners, he added, but today all OPEC Member Countries have signed the Paris Agreement, and almost all of them have ratified it.

“It has been a very eventful, long journey, but we are still not where we are supposed to be, because we still have to convince some in the world that oil and the oil industry must be part of the solution to climate change ... We need to convince investors, we need to convince other stakeholders that all sources of energy are required in this transition. No one single or group of energy sources can meet current demand let alone the future demand for energy.”

Finally, the very important question of future manpower in the industry was tackled. The OPEC Secretary General stated that “investing in our industry is not only investing in the present, but also in the future of mankind. So also is the challenge we are facing with our young people, our students to persuade them to take a career in this industry.”

He continued that projections show that oil and gas will dominate the energy basket for the foreseeable future and that the young population should be encouraged to take careers in the industry.

“The future of this industry is very bright. The future of this industry is intertwined with civilization and humanity,” he said. 

“... investing in our industry is not only investing in the present, but also in the future of mankind.”

After a 'hammer blow' in 2020, a brighter future for oil

Dr Ayed S Al-Qahtani, Director of the OPEC Research Division, told the MENA Energy Meet that oil will retain its lead in the overall energy mix well into the future. In presenting the new World Oil Outlook, he also discussed the pandemic-induced decline in 2020.



Dr Ayed S Al-Qahtani, Director of the OPEC Research Division.

The opening day of the MENA Energy Meet featured a presentation of OPEC's latest edition of the *World Oil Outlook (WOO)* on November 2, 2020, with attendees getting an overview of the short-, medium- and longer-term prospects for energy and crude oil in particular.

This year's *WOO*, the 14th edition of OPEC's flagship annual publication, also takes a hard look at the unprecedented impact of the COVID-19 pandemic on the global energy and oil markets while exploring other longer-term factors.

"It is no secret to anyone here that the pandemic-induced economic crisis has wreaked havoc on the oil industry," said Dr Al-Qahtani. "We expect a ten per cent contraction in oil demand this year, to somewhere between 90 million barrels/day (m b/d) and 91m b/d. At one point in the second quarter of this year, we faced a juggernaut of collapsing demand and surging supply levels. Available storage capacity was nearly exhausted in some countries."

Al-Qahtani said that while uncertainty continues to overshadow the market, "we expect that oil will begin to claw back some of its lost territory next year as the global economy recovers. Our current projections show demand growth of around 6.5m b/d in 2021." (*October MOMR numbers*)

The outlook to 2045

Each year, the *WOO* examines developments in energy and oil demand, oil supply and refining, the global economy, policy and technology developments, demographic trends, as well as environmental issues and sustainable development.

The *WOO* 2020 for the first time extends its horizon by five years, to 2045. Al-Qahtani noted that this larger window provides more space to assess the influence of COVID-19, plus public policy and technology developments, on oil demand.

"Looking well beyond 2020, we anticipate that global



Mohammad Sanusi Barkindo unveiled and presented the *World Oil Outlook 2020* on October 8, 2020.

primary energy demand will continue to grow in the long term and rise by a significant 25 per cent between 2019 and 2045," he said.

"This growth will be propelled by a doubling of global GDP growth and a more than 20 per cent increase in the world's population by 2045," he said, adding that rising urbanization and an expanding middle class, especially in developing countries, "will influence energy demand in the future, as has been the case in developed regions for decades."

This year's *WOO* again stresses that all forms of energy will be needed for the foreseeable future to meet expected economic and population expansion over the next 25 years.

Renewables grow, but oil maintains leading position

One energy option, renewables, will grow significantly faster than any other source of energy at an average of around 6.6 per cent annually.

But Al-Qahtani stressed in his presentation that there is “no one-size-fits-all solution” to global energy demand. “The world will continue to need a diverse portfolio of energy options to keep up with anticipated demand growth,” he said.

Al-Qahtani noted that the mainstream consensus is that oil will continue to account for the largest share of the energy mix, nearly 28 per cent, by 2045, providing “a stable foundation for addressing global energy needs for years to come.”

Based on the expectation that COVID-19 is largely contained in 2021, the WOO forecasts that demand will increase by almost 10m b/d compared to 2019, rising to around 109m b/d in 2045. Much of that growth is projected to occur the non-OECD region, led by India and China. Steady growth is also expected in the Middle East and Africa.

Demand and supply

Petrochemicals and transportation will underpin oil demand going forward, Al-Qahtani said. Road transportation will account for 43 per cent of total demand by 2045.

Aviation has experienced a particularly turbulent year, especially on international routes, he said, but this sector is expected to partially recover in 2021 and grow at a significantly stronger pace in the long-term.

On the supply side, Al-Qahtani said non-OPEC liquids are expected to decline from a peak of nearly 72m b/d by the end of this decade to around 65m b/d in 2045, while OPEC liquids will increase from nearly 34m b/d in 2019 to 44m b/d in 2045.

“By the end of our outlook period, OPEC Member Countries will account for 40 per cent of global liquids supply,” Al-Qahtani told the MENA Energy Meet. “This compares to around 34 per cent last year.”

In the downstream, crude distillation capacity is expected to increase by 15.6m b/d until 2045, with most of the additions located in the Middle East and Africa, as well as the Asia-Pacific.

Al-Qahtani also cited COVID-19’s impact on investment, describing the pandemic as “a hammer blow” that adds to concerns about the stability of capital flows that existed before the virus.

“The latest analyses show that upstream capital expenditure could plummet by 30 per cent in 2020, exceeding the annual dramatic declines the industry experienced in the downturn of 2015 and 2016. We do

not believe investment will recover to 2019 levels until at least 2024,” he said.

The *WOO* forecasts that investment of more than \$12 trillion will be needed in the upstream, midstream and downstream over the coming 25 years.

“Stable investment is essential to our industry, which in turn is indispensable to our way of life,” Al-Qahtani said.

Role of the DoC

In concluding his remarks, Al-Qahtani noted that “2020 has been a year without precedent for oil. It has also been a year of unprecedented cooperation.”

He highlighted the pivotal role that the OPEC and non-OPEC countries in the ‘Declaration of Cooperation’ (DoC) have played in shoring up the oil market and creating a platform for recovery. “These bold and historic efforts have been instrumental in helping to restore stability and confidence in the markets, to the benefit of producers, consumers and the global economy in general.”

Together, “the DoC participating countries have witnessed unprecedented levels of support from the highest levels of government, multilateral institutions, and many other leading energy stakeholders, including those participating in the MENA Energy Meet,” Al-Qahtani said. “At OPEC, we are both hopeful that this experience leads to expanded collaboration at the international level to help achieve a more stable, resilient and inclusive energy future.”

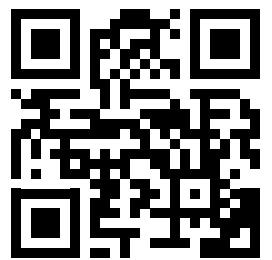
He went on to thank the Sultanate of Oman and Mohammed Bin Hamad Al-Rumhy, Minister of Energy and Minerals, with the event held under the patronage of the ministry, for their participation in the DoC since its inception in December 2016 and for the country’s “unwavering commitment to sustainable market stability since then.”

Al-Qahtani’s presentation followed opening remarks by Dr Salman Mohammed Al Shidi, Director General of Oil and Gas Investments at Oman’s Ministry of Energy and Minerals, and Joseph McMonigle, Secretary General of the International Energy Forum.

The two-day MENA Energy Meet featured an impressive line-up of speakers, including industry executives, top policymakers, and many other stakeholders from across the energy sector. Promoted as ‘cost effective’ and ‘zero risk’, the virtual event provided a forum for discussion, knowledge sharing, presentations and a virtual exhibit.



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online now:

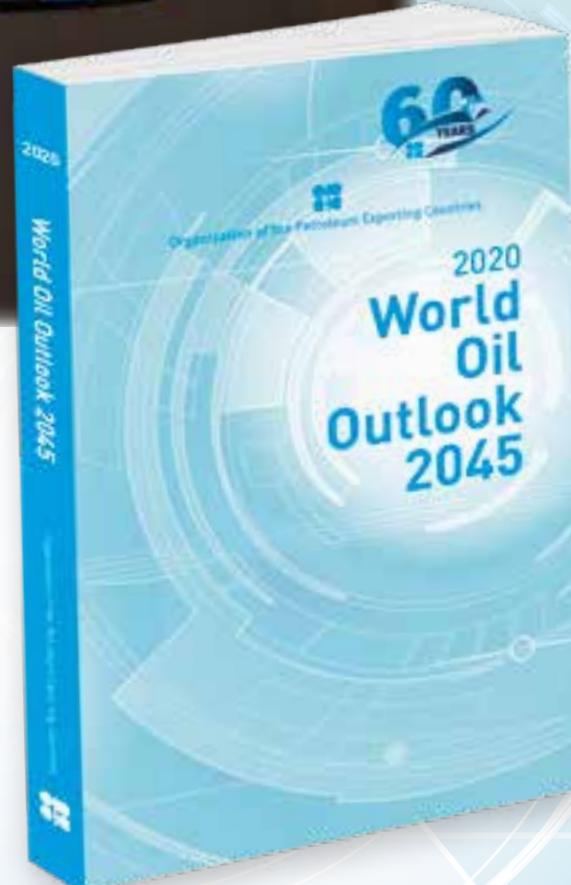


woo.opec.org

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Prince Khalifa bin Salman Al Khalifa, long-serving Prime Minister of Bahrain

Prince Khalifa bin Salman Al Khalifa, Prime Minister of the Kingdom of Bahrain since its independence from the UK in 1971, passed away on November 11, 2020, aged 84.

One of the world's longest-serving prime ministers, Prince Khalifa devoted his lifetime to public service. He began his career in 1953 as an assistant in the office of his father, Shaikh Salman Bin Hamad Al Khalifa, and went on to oversee areas such as education, finance, defence and electricity.

Prince Khalifa became mayor of the capital and important trade centre, Manama, in May 1962. In January 1970, Bahrain's last full year as a British protectorate, he became chairman of the State Council and the following year, prime minister of the independent Kingdom, a post he held for the remainder of his life.

Condolences from OPEC Secretary General

"Among the many achievements of a long and distinguished career, Prince Khalifa will be remembered for helping to guide the Kingdom to independence in 1971 and to lead it to prosperity in the years since, overseeing its economic development and the growth of the petroleum industry," Mohammad Sanusi Barkindo, OPEC Secretary General, said in a condolence letter sent to Shaikh Mohamed Al-Khalifa, Minister of Oil.

Barkindo said OPEC has been "most fortunate to benefit from Prince Khalifa's experience, diplomacy and generosity, in particular through your government's unwavering commitment to the 'Declaration of Cooperation' since its inception on December 10, 2016."

In addition, he noted that many OPEC Member Countries "have enjoyed cooperation with the Kingdom of Bahrain through other key international platforms, including the Gulf Cooperation Council and the International Energy Forum. Prince Khalifa's patronage of leading events such as the Middle East Oil & Gas Show is further

testament to the Kingdom's role in fostering dialogue, cooperation and the sharing of knowledge among global energy stakeholders."

As Prime Minister, Prince Khalifa became the Chairman of the Supreme Council of Oil in November 1980, according to the Ministry of Foreign Affairs. During his tenure as Prime Minister, Bahrain also undertook sweeping efforts to diversify the island Kingdom's economy. Among his many duties, Prince Khalifa assumed the chairmanship of the Supreme Council for Economic Development in April 2000.

International accolades

Throughout his lifetime, Prince Khalifa received numerous international awards, academic honours and accolades for his public service and diplomacy. In 2004, France's then-President Jacques Chirac awarded Prince Khalifa the National Order of the Legion of Honour. A decade later, he was the recipient of the President's Gold Award from the International Federation of Business and Professional Women. In 2017, he received the Arab League Shield for Leadership in Arab Development and the UNESCO Peace Medal.

King Hamad bin Isa Al-Khalifa, nephew of the late Prince Khalifa, performed the funeral prayers at the Shaikh Isa bin Salman Mosque in Riffa, the *Bahrain News Agency* reported on November 13. Letters of condolence arrived from around the world, including from countries participating in the DoC.

Prince Khalifa had been undergoing treatment at the Mayo Clinic, located in the US state of Minnesota, at the time of his passing. He was succeeded as Prime Minister by Crown Prince Salman bin Hamad al-Khalifa.



Right: Prince Khalifa bin Salman Al Khalifa, the long serving Prime Minister of the Kingdom of Bahrain.



Alamy



Sonangol, Gemcorp make FID for Cabinda oil refinery

Sonangol's headquarters in Luanda, Angola.



Reuters

Angola's Sonangol and investment management firm Gemcorp Capital LLP have partnered and made a final investment decision for the construction of the Cabinda Refinery in Angola.

The two companies will spend \$220 million in the first phase of construction, which began in March, and includes installing half of the plant's processing capacity of 60,000 barrels a day. The second and third phases

will turn the plant into a "total conversion" refinery, according to a statement.

"The construction of this refinery will provide an increase in the processing capacity of crude oil and a considerable reduction in the country's dependence on imports of refined products," said Sebastião Gaspar Martins, Chairman of Sonangol.

"This final investment decision represents one of the key strategic milestones of the Angolan government. The construction of this refinery will prompt an increase in the domestic processing capacity and a reduction of dependency on imports of refined products, as foreseen in the National Development Plan. Sonangol is thrilled to be supportive of this private initiative, which presents both a great contribution to the socio-economic development of Angola and an incentive for increased foreign direct investment in the country," he added.

"The Cabinda Refinery private investment demonstrates Gemcorp's commitment to the development of Angolan strategic assets and our ability to deliver in the most challenging of times. Gemcorp is excited to deliver this project and support the government's long term strategic goals of energy independence and job creation in greater Angola," said Atana Bostandjiev, CEO of Gemcorp.

"Through the Cabinda Refinery, Gemcorp will accelerate community outreach, training, and social impact. The long-term plan is for the Cabinda Refinery to maximize local employment and transition to operation by a full Angolan workforce over time," he added.



Saudi Arabia and Iraq underline value of energy market cooperation

Saudi Arabia and Iraq have stressed the importance of cooperation in the fields of energy, exchange of experiences and coordination of positions in the oil field within the scope of OPEC, the 'Declaration of Cooperation' (DoC) and the 'Charter of Cooperation' (CoC), following a virtual meeting between HRH Prince Mohammed bin Salman bin Abdulaziz Al Saud, Saudi

Arabia's Crown Prince, and the Prime Minister of Iraq, Mustafa Al-Kadhimi.

In a statement carried by the Saudi Press Agency, the two parties also "stressed full commitment to all decisions that have been agreed upon" and Iraq renewed its invitation to Saudi companies to invest in promising opportunities in various fields in Iraq.



SABIC expands its portfolio of renewable energy

SABIC, Saudi Arabia's petrochemical giant, has announced its plans to expand the company's capacity of clean power to meet its renewable energy target.

At the MENA Energy Meet online conference, Hassan Raboui, a SABIC scientist, outlined the company's renewable energy roadmap, as well as its strategy for the next ten years.

Raboui said: "Renewable energy is going to play a major part in our operations in the next ten to 15 years, and to make sure this happens, we are looking to partner with independent power producers that will produce renewable energy and provide it to us through the national grid. In return, we will commit to long-term power purchase agreements to ensure

bankability and financing of these projects," Raboui added.

According to *The National*, a leading United Arab Emirates newspaper, SABIC intends to add four gigawatts (GW) to its renewable energy grid, with an aim to further expand it by 12 GW by 2030, in addition to reducing the greenhouse gas emissions by 25 per cent from the 2010 levels over the next five years.

Raboui highlighted: "The transition to renewable energy is a crucial step to reduce our greenhouse gas emissions and the carbon footprint of our products."



SABIC's headquarters in Saudi Arabia.

ADNOC and Total deliver first unconventional gas from the UAE

The Abu Dhabi National Oil Company (ADNOC) and Total, announced on November 11, the delivery of the first unconventional gas from the United Arab Emirates. The unconventional gas was delivered from the Ruwais Diyab Unconventional Gas Concession located 200 km west of Abu Dhabi city.

ADNOC said that the achievement marks a significant milestone towards future full field development and is an important step towards the group's target of producing 1 billion standard cubic feet of gas from the concession before 2030, ultimately enabling gas self-sufficiency for the UAE.

First gas from Ruwais Diyab comes just two years after ADNOC and Total signed the region's first unconventional gas concession agreement.

Yaser Saeed Almazrouei, ADNOC Upstream Executive Director, said: "This achievement marks another important milestone in the development of the UAE's unconventional gas resources as we deliver on our integrated gas strategy and work to achieve gas self-sufficiency for the nation.

"The accelerated progress in Ruwais Diyab is a testament to the long-standing partnership between ADNOC and Total, which has enabled us to expedite the learning curve in the production of unconventional gas resources, provided cost optimization opportunities

and driven efficiencies. All of these remain key as we move forward with confidence to further develop the concession and unlock its substantial potential to drive sustainable value for the UAE and its people."

The unconventional gas is delivered through a purpose-built gas pipeline and centralized early production facility in the Diyab field which enables distribution through ADNOC's gas network.

In addition to developing the Ruwais Diyab concession, ADNOC said it will unlock gas resources from its Gharsa concession and Abu Dhabi's giant gas caps, as well as new natural gas accumulations that will continue to be appraised and developed as the company pursues its exploration activities.



General view of Panorama Digital Command Centre at the ADNOC headquarters in Abu Dhabi, UAE.



OPEC FUND NEWS

EVOLUTION OF A

Our refreshed branding is reflective of our renewed energy — we are determined to make an even bigger development impact ...

BRAND

The OPEC Fund for International Development has refreshed its branding.

An evolved logo and new ways of communicating bring the organization's 45-year legacy into sharper focus and introduce clearer, more engaging messaging.

We will be sharing more stories and testimonials about how we help drive development, strengthen communities and empower people. We will shine an even brighter light on our people and partners, share our development knowledge more widely and contribute regularly to the debate on best practice. Given the current challenges the world faces, collaboration is more important than ever before.

We now abbreviate our name to the OPEC Fund (instead of OFID) and our new logo (downloadable from opecfund.org) represents sustainability and our

proactive approach to meeting partner needs in a changing development landscape.

Good examples of this agility are the loans we have approved via a fast-track process to help developing countries mitigate, contain and recover from the effects of the COVID-19 pandemic. In recent months alone, more than half of the \$1 billion package the OPEC Fund has allocated to COVID-19-related efforts has been approved via this fast-track process.

The logo's dark blue color represents continuation, while the lighter blue alludes to our shared heritage with OPEC Member Countries. The yellow color conveys optimism about the future. These colors also identify us with the Sustainable Development Goals.

Thank you to our partners everywhere. We look forward to continued teamwork toward a world where sustainable development is a reality for all.



OUR VISION

A world where sustainable development is a reality for all



OUR MISSION

Together we drive development, strengthen communities and empower people



16 OPEC FUND VISUAL IDENTITY GUIDELINES

Color palette

The OPEC Fund colors are strong and positive. They feel clean, simple and classic. These colors build on our communications heritage and refer to the Sustainable Development Goals, which form a central focus of our work.

PRIMARY COLORS

Our primary colors are Dark Sky and Bright Sky. They are used prominently throughout all of our communications.

SECONDARY COLORS

Our secondary colors are used as accent colors. They help bring character and expression.

Our secondary colors are Light Blue, Green, Yellow and White. These colors are used as accents to support the primary colors, bringing character and expression to our communications.

These colors also include natural tones designed to complement some of the brighter, more vibrant colors. There's also a sense of nature, natural materials and energy within these colors.

COLOR TYPES

For our most popular color types that we're going to discuss – Pantone, CMYK, RGB and Hex – all fall into one of the two basic categories. Pantone and CMYK are for print. RGB and HEX are for screens.

Primary color palette

DARK SKY
PANTONE: 293 C
CMYK: 100-70-0-23
RGB: 0-60-165
HEX: #0040A5

BRIGHT SKY
PANTONE: 299 C
CMYK: 70-15-0-0
RGB: 0-163-224
HEX: #00A3E0

Secondary color palette

LIGHT BLUE
PANTONE: 27-0-290 C
CMYK: 27-0-100-0
RGB: 185-217-235
HEX: #B9D9E5

GREEN
PANTONE: 7465 C
CMYK: 65-0-38-0
RGB: 64-193-172
HEX: #40C9C0

YELLOW
PANTONE: 1225 C
CMYK: 0-23-80-0
RGB: 255-255-255
HEX: #FFFFF

WHITE
CMYK: 0-0-0-0
RGB: 255-255-255
HEX: #FFFFFF



OPEC FUND
for International Development



17 OPEC FUND VISUAL IDENTITY GUIDELINES

Color palette

TERTIARY COLORS
Our tertiary colors are used mainly in applications where more color options are needed, e.g. infographics-heavy content, (brochures, MS Office applications, web, etc.).

SONIC SILVER
PANTONE: 296 C
CMYK: 0-2-0-55
RGB: 116-114-116
HEX: #747274

AQUA FOREST
PANTONE: 2249 C
CMYK: 0-0-36-0
RGB: 99-163-117
HEX: #63A375

ASH GRAY
PANTONE: 108 C
CMYK: 0-0-0-27
RGB: 185-183-167
HEX: #B9B7A7

SUNRAY
PANTONE: 2008 C
CMYK: 26-0-0-79
RGB: 237-174-73
HEX: #EDAE49

BRICK
PANTONE: 7618 C
CMYK: 65-55-48
RGB: 209-73-31
HEX: #D1495B

MAIZE
PANTONE: 719 C
CMYK: 0-0-0-74
RGB: 177-199-165
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Development of global oil inventories in 2020

November 2020

The spread of COVID-19 has disrupted the global oil market balance in 2020, pushing global oil inventories to a record high. Indeed, the accuracy of oil storage data is impacted by many factors including time lags and estimation approaches. While OECD oil inventory data is regularly updated through national government reporting systems, assessing inventories in non-OECD countries is particularly challenging, as it requires estimations based on a mix of official data and own assessments, complemented by the JODI database.

In the first three quarters of 2020, the massive global stock build came as oil demand contracted sharply, by 10.7 million barrels/day, compared to the same period in 2019, outpacing the 5.4m b/d decline in global oil supply during the same period.

The decline in global supply was due to OPEC Member Countries voluntarily reducing their average production by 3.5m b/d, compared to the same period a year earlier, and non-OPEC participants in the 'Declaration of Cooperation' (DoC) voluntarily reducing their average production by 1.2m b/d. At the same time, other non-OPEC oil producing countries reduced their supply by about 600,000 b/d.

Despite these production reduction efforts, global inventories have registered a sharp build, as OECD stocks saw a build of around 290m b, while non-OECD stocks are estimated to have built by about 540m b.

Furthermore, the oil futures curve flip into contango in March 2020 made it profitable for traders to purchase relatively cheap crude barrels to store at sea, in order to sell forward. In addition, the lack of demand for oil resulted in cargoes being stuck at destination ports, waiting for discharge orders. Therefore, in the first three quarters of 2020, oil-at-sea is estimated to have risen by 162m b, or around 600,000 b/d. With this, total global inventories have surged by more than one billion barrels since the beginning of this year.

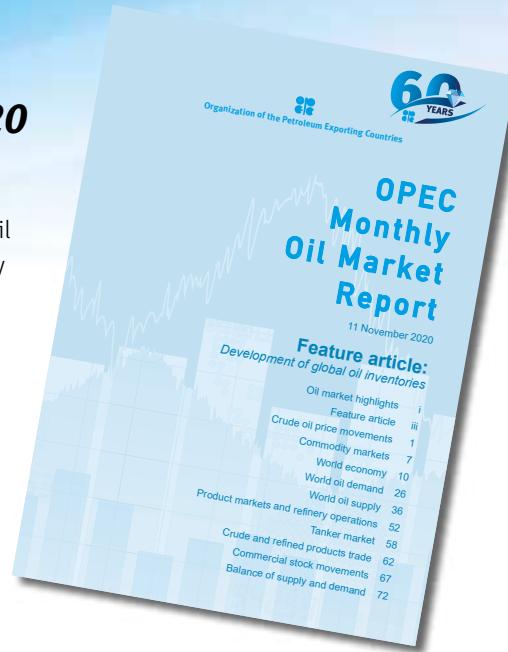
In anticipation of this market imbalance, the OPEC and participating non-OPEC oil producing countries of the DoC reached a landmark decision for produc-

tion adjustments in April 2020, as a necessary and timely response to the urgent need to support market stability. This historic effort focused on accelerating the drawdown of the global stock overhang in order to bring forward market rebalancing.

As a result, between the end of 2Q20 and the end of 3Q20, global inventories declined across all components by around 250m b. It should be highlighted that, without the DoC production adjustments, global inventories would have continued rising.

Instead, OECD commercial inventories – which act as a key indicator of market fundamentals – have fallen between end-2Q20 and end-3Q20 by 44m b, the bulk of which was crude stocks. Similarly, non-OECD inventories are estimated to have declined by around 55m b over the same period. Meanwhile, oil at sea, including floating storage, has also fallen, dropping by about 150m b.

The high conformity levels of the DoC participating countries to their voluntary adjustments have gradually scaled back high oil inventory levels. However, given the renewed lockdown measures implemented in several major economies, the market situation requires vigilance and continuous close monitoring in order to take into account the large uncertainties going forward. The 180th Meeting of the OPEC Conference and the 12th OPEC and non-OPEC Ministerial Meeting will convene on November 30 and December 1, respectively, to further assess market developments and consider how best to continue relentless efforts to maintain oil market stability.



MOMR ... oil market highlights

November 2020

Crude oil price movements — The OPEC Reference Basket (ORB) fell by \$1.46, or 3.5 per cent, month-on-month (m-o-m), to average \$40.08/b in October. Year-to-date (y-t-d), the ORB averaged \$40.57/b, or \$23.34 lower than the same period last year. Crude oil futures prices extended losses, with oil market sentiment continuing to be dominated by concerns about the recovery in global oil demand, amid a sharp increase in the number of daily COVID-19 cases in several regions. Crude oil futures prices on both sides of the Atlantic settled lower in October. ICE Brent was down 35¢/b, m-o-m, to stand at \$41.52/b, while NYMEX WTI edged 7¢ lower to settle at \$39.55/b, keeping the Brent-WTI spread narrow at just below \$2/b. In terms of market structure, NYMEX WTI, ICE Brent and DME Oman were in sustained contango during October. Hedge funds and money managers in WTI slightly reduced their net long positions during the month, while in ICE Brent there was a slight increase in net long positions, albeit remaining at low levels, given the high uncertainty surrounding market outlooks.

World economy — The global economic growth forecast continues to show a contraction of 4.3 per cent for 2020, while the 2021 forecast is revised down to growth of 4.4 per cent, down from 4.5 per cent forecast of last month, with all numbers now based on the newly-implemented 2017 purchasing power parity (PPP) levels. US economic forecast is revised up to show a contraction of 3.6 per cent in 2020, while growth in 2021 is revised lower to 3.4 per cent. The Euro-zone forecast is revised up to minus 7.2 per cent from minus 7.7 per cent, while the 2021 forecast is revised lower to 3.7 per cent. Japan's economic growth forecast remains at minus 5.7 per cent for 2020 and 2.8 per cent for 2021. China's economic growth remains at 2.0 per cent for 2020 and 6.9 per cent in 2021. The forecast for India is revised down to minus 9.2 per cent, while growth in 2021 remains at 6.8 per cent. Brazil's forecasts is revised higher to minus 6.0 per cent in 2020 and growth of 2.5 per cent in 2021. Russia's economic growth forecast in 2020 remains unchanged, with a contraction of 4.9 per cent this year and growth of 2.9 per cent in 2021.

World oil demand — The global oil demand forecast for 2020 is revised down by 300,000 b/d, given weaker-than-expected demand in OECD Americas in 3Q20 and the recently announced additional COVID-19 containment measures by various governments in OECD Europe. Transportation and industrial fuel are expected to remain adversely affected throughout 4Q20. As a result, world oil demand is now

expected to contract by around 9.8m b/d, y-o-y, in 2020. For 2021, oil demand growth is expected to grow by 6.2m b/d, y-o-y, representing a downward revision of 300,000 b/d compared to last month's assessment. These downward revisions mainly take into account downward adjustments to the economic outlook in OECD economies due to COVID-19 containment measures, with the accompanying adverse impacts on transportation and industrial fuel demand through mid-2021.

World oil supply — The non-OPEC liquids production forecast for 2020 is revised marginally lower by 60,000 b/d from the last month's assessment, to now show a contraction of 2.4m b/d. The marginal downward revision is due to production outages in the US Gulf of Mexico, as well as lower-than-expected output in Norway, the UK, and Mexico. Oil supply in 2020 is forecast to decline mainly in Russia, the US and Canada, partially offset by growth led by Norway, Brazil, China and Guyana. The 2021 supply forecast is revised higher by 60,000 b/d, to average 950,000 b/d, mainly due to a higher expectations for Oman production next year. Uncertainties regarding the ability to achieve sufficient well completions and spending levels remain. The main drivers for supply growth in 2021 are expected to be the US with 300,000 b/d, followed by Canada, Brazil and Norway. OPEC NGLs are expected to decline by 100,000 b/d in 2020 then grow by 100,000 b/d, y-o-y, to average 5.2m b/d in 2021. OPEC crude oil production in October increased by 320,000 b/d, m-o-m, to average 24.39m b/d, according to secondary sources.

Product markets and refining operations — Globally, refining margins gained limited ground in October, with a positive performance seen at the middle and bottom of the barrel, impacted by lower processing rates, amid peak maintenance season and lower overall offline capacity, y-o-y. In addition, a decline in feedstock prices towards the end of the month lent further support to refining economics. In the US, margins remained almost flat, exhibiting only moderate gains, supported by a combination of product supply disruptions due to maintenance and a heavy hurricane season. The prompt start-up of refineries following weather-related disruptions, amid demand side pressure, prevented a steeper upturn. In Europe, margins showed the largest gains relative to other regions, with simple configurations benefiting the most. Meanwhile, margins in Asia saw support from economically driven run cuts in some countries within the region, the sharp fall in oil prices, and a robust product market performance, mainly in India.

Tanker market — The weaker tanker market continued into October, with dirty tanker rates depressed by ample tonnage availability along with sluggish tanker demand as COVID-19 disruptions weighed on trade. High inventories and the unwinding of floating storage have also negatively impacted dirty tanker rates. After a brief pick-up in the Mediterranean last month, clean tanker rates in October turned lower West of Suez. East of Suez rates, however, managed an increase on gains on the Singapore-to-East route.

Crude and refined products trade — Preliminary data shows US crude imports picked up, from an almost three-decade low, to average 5.4m b/d in October. US crude exports fell further below 3m b/d in October, impacted by lower demand amid renewed lockdown measures in Europe and as strong Chinese buying began to wind down. The latest data showed OECD Europe crude imports picked up in July to average 7.9m b/d, after having declined for five-straight months to a 15-year low. China's crude imports rebounded in September, averaging 11.8m b/d, the third-highest on record after the levels seen in June and July this year. China's crude imports are expected to be lower in 4Q20, as independent refiners have topped out import quotas for the year, with preliminary data showing China's crude imports averaged 10.1m b/d in October. India's crude imports fell back after improving the previous month, averaging 3.7m b/d in September, but performed better y-o-y than in previous months, amid an easing of lockdown measures.

Commercial stock movements — Preliminary data showed total OECD commercial oil stocks down 15.3m b, m-o-m, in September. At 3,179m b, inventories were 237.1m b higher, y-o-y, and 211.9m b above the latest five-year average. Within this, crude and products stocks declined 13.0m b and 2.2m b, m-o-m, respectively. OECD crude stocks stood at 78.6m b above the latest five-year average, while product stocks exhibited a surplus of 133.3m b above the latest five-year average. In terms of days of forward cover, OECD commercial stocks fell, m-o-m, by 1.3 days in September to stand at 71.7 days. This is 10.3 days higher, y-o-y, and 9.4 days above the latest five-year average.

Balance of supply and demand — Demand for OPEC crude in 2020 is revised down by 200,000 b/d from the previous month to stand at 22.1m b/d, which is around 7.2m b/d lower than in 2019. Demand for OPEC crude in 2021 is revised down by 600,000 b/d from the previous month to stand at 27.4m b/d, which is around 5.2m b/d higher than in 2020.

The feature article and oil market highlights are taken from OPEC's Monthly Oil Market Report (MOMR) for November 2020. 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	2019												2020												Weeks 40-44/2020 (week ending)				
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Oct 2	Oct 9	Oct 16	Oct 23	Oct 30											
Arab Light – Saudi Arabia	60.99	64.01	67.45	66.56	56.84	35.58	18.27	24.99	36.12	43.52	45.33	42.09	40.32	40.83	40.72	41.23	41.25	38.47											
Basrah Light – Iraq	59.52	62.54	65.83	64.06	54.75	33.25	16.82	24.73	37.23	44.63	46.10	42.09	40.60	40.91	41.05	41.54	41.59	38.66											
Bonny Light – Nigeria	61.45	63.69	68.18	65.89	57.77	33.41	15.54	24.86	39.03	43.46	45.40	40.78	39.64	39.58	40.35	40.69	40.81	37.34											
Djeno – Congo*	57.13	61.40	66.05	62.95	54.37	29.11	11.91	21.36	32.63	35.82	37.34	33.13	32.56	32.15	33.27	33.61	33.73	30.26											
Es Sider – Libya	59.78	63.51	67.60	63.63	55.70	31.49	14.58	24.56	38.68	42.17	43.69	39.18	37.71	37.84	38.42	38.76	38.88	35.41											
Girassol – Angola	61.34	65.65	69.69	65.41	57.25	32.45	14.70	28.62	43.10	45.78	45.83	41.10	40.72	40.10	41.28	41.66	41.88	38.81											
Iran Heavy – IR Iran	57.94	60.73	63.80	62.61	52.87	32.79	17.16	23.55	36.26	43.30	45.07	41.93	40.24	40.72	40.54	41.13	41.21	38.44											
Kuwait Export – Kuwait	60.52	63.72	66.26	65.37	55.90	34.85	17.22	24.54	35.58	43.31	45.08	42.12	40.38	40.90	40.71	41.26	41.31	38.57											
Merey – Venezuela	45.69	43.44	49.94	56.20	35.99	18.39	7.04	16.33	24.73	28.32	35.21	28.22	26.23	26.96	26.55	27.04	27.13	24.56											
Murban – UAE	60.88	63.48	66.66	66.09	57.06	35.60	23.94	28.23	39.33	43.73	45.49	41.88	41.06	40.85	41.28	42.06	41.92	39.32											
Rabi Light – Gabon	58.98	61.24	64.08	60.80	53.27	30.16	13.30	26.08	40.70	43.56	43.75	39.38	39.01	38.25	39.38	39.93	40.21	37.33											
Saharan Blend – Algeria	60.48	63.86	68.10	65.28	57.91	34.23	17.08	26.31	40.48	44.12	45.64	40.98	39.76	39.74	40.47	40.81	40.93	37.46											
Zafiro – Equatorial Guinea	60.86	65.36	69.74	65.31	56.65	30.95	13.40	26.76	40.79	43.82	45.19	40.62	39.99	39.50	40.62	40.96	41.08	37.97											
OPEC Reference Basket	59.91	62.94	66.48	65.10	55.53	33.92	17.66	25.17	37.05	43.42	45.19	41.54	40.08	40.35	40.50	41.02	41.05	38.16											

Table 2: Selected spot crude prices

\$/b

Crude/country	2019												2020												Weeks 40-44/2020 (week ending)				
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Oct 2	Oct 9	Oct 16	Oct 23	Oct 30											
Arab Heavy – Saudi Arabia	60.22	63.32	65.63	64.41	54.98	34.87	18.05	24.51	35.45	43.33	45.01	42.13	40.61	41.02	40.86	41.48	41.58	38.84											
Brega – Libya	59.48	62.86	66.95	63.33	55.40	31.36	14.48	24.46	38.73	42.27	43.85	39.28	37.81	37.94	38.52	38.86	38.98	35.51											
Brent Dtd – North Sea	59.73	63.11	66.90	63.38	55.45	31.71	18.83	28.81	40.08	43.27	44.79	40.58	40.01	39.60	40.72	41.06	41.18	37.71											
Dubai – UAE	59.46	61.91	64.86	64.10	54.25	33.78	21.33	30.35	40.71	43.19	43.89	41.45	40.70	40.75	40.99	41.60	41.63	38.88											
Ekofisk – North Sea	61.06	65.07	69.17	65.42	58.45	32.64	15.55	28.54	41.18	44.27	45.66	40.94	40.14	39.85	40.94	41.20	41.24	37.76											
Iran Light – IR Iran	57.71	62.87	65.49	61.29	53.54	27.94	14.93	29.27	40.79	42.71	43.44	39.41	38.69	38.32	39.17	39.64	39.76	36.89											
Isthmus – Mexico	59.13	61.69	60.28	55.93	47.50	23.99	7.78	25.17	35.07	38.45	41.24	38.06	38.15	37.45	38.85	39.19	39.27	36.04											
Oman – Oman	60.27	62.81	65.49	65.01	54.61	34.85	23.65	33.48	41.58	43.68	44.32	41.60	41.11	40.80	41.33	41.95	42.12	39.40											
Suez Mix – Egypt	57.58	62.74	65.36	61.16	53.41	27.81	14.80	29.14	40.66	42.58	43.31	39.28	38.56	38.19	39.04	39.51	39.63	36.76											
Minas – Indonesia*	57.36	60.30	62.78	62.10	53.39	32.40	24.24	29.66	38.42	41.01	42.78	39.81	39.30	39.07	39.62	40.26	40.25	37.33											
Urals – Russia	59.28	64.44	67.09	62.86	55.11	29.51	16.61	30.65	42.36	44.28	45.03	40.98	40.26	39.89	40.74	41.21	41.33	38.46											
WTI – North America	53.98	57.25	59.81	57.56	50.60	29.89	16.52	28.57	38.30	40.75	42.36	39.61	39.53	39.18	40.33	40.50	40.45	37.50											

Notes:

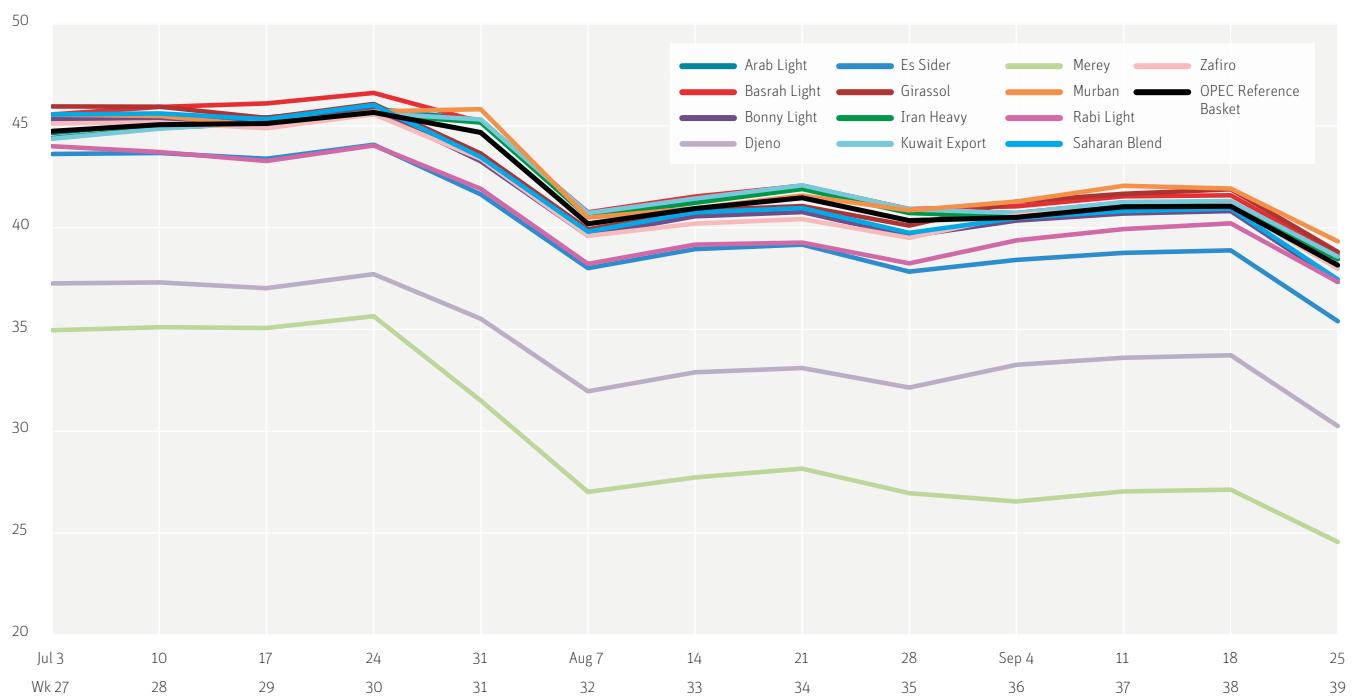
Brent for dated cargoes; Urals cif Mediterranean. All others fob loading port.

* 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, 2020

\$/b

**Graph 2: Evolution of selected spot crude prices, 2020**

\$/b

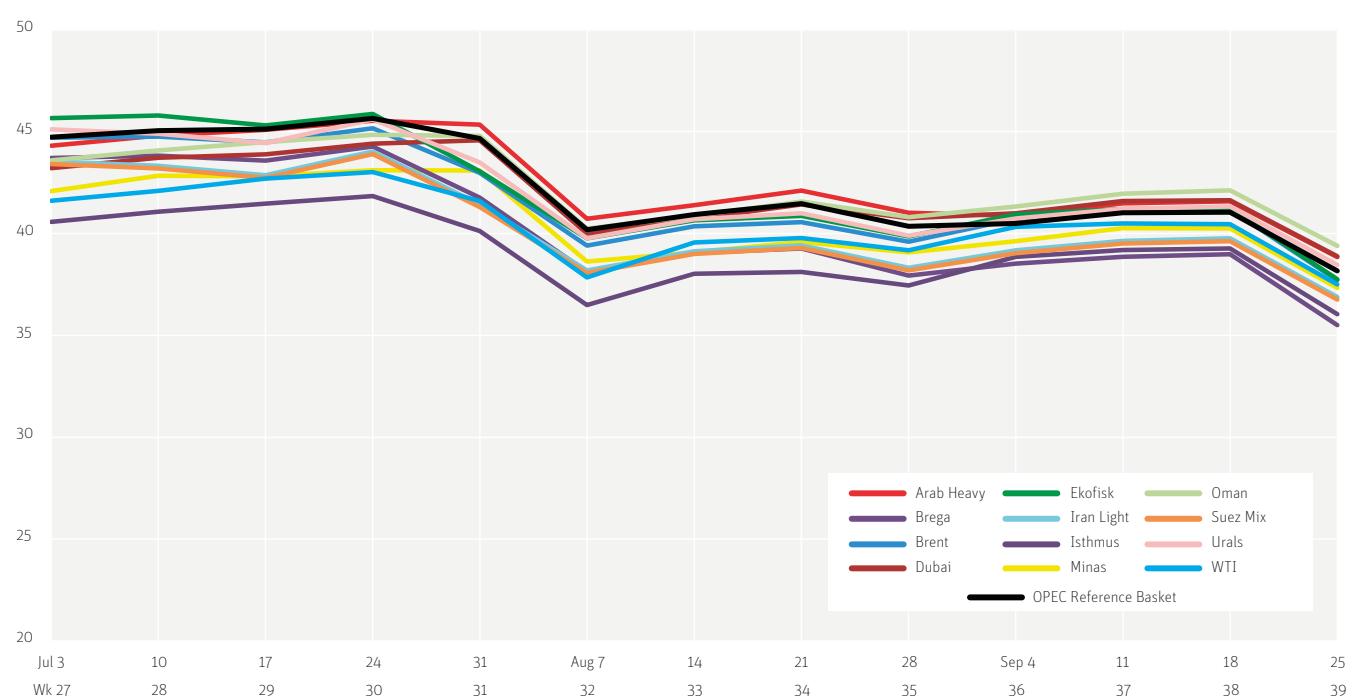


Table and Graph 3: North European market – spot barges, fob Rotterdam

\$/b

		naphtha	regular gasoline unleaded	diesel ultra light	jet kero	fuel oil 1 per cent S	fuel oil 3.5 per cent S
2019	October	53.92	76.25	78.47	80.14	58.86	35.32
	November	58.59	78.22	78.14	79.04	58.57	29.32
	December	59.70	77.35	80.37	80.25	65.03	32.15
2020	January	58.21	76.19	76.07	76.93	68.08	38.57
	February	51.30	69.65	66.45	65.67	54.82	38.21
	March	27.08	40.52	46.36	40.49	29.98	21.12
	April	15.14	27.61	33.12	23.24	22.25	15.50
	May	24.74	37.80	34.10	28.25	25.95	20.92
	June	37.59	49.75	44.56	41.26	35.88	32.56
	July	42.04	54.10	49.53	44.92	39.08	35.96
	August	41.95	53.41	49.70	44.60	41.17	39.65
	September	40.42	50.45	41.92	39.93	37.71	33.88
	October	41.26	50.19	44.17	42.55	40.57	37.12

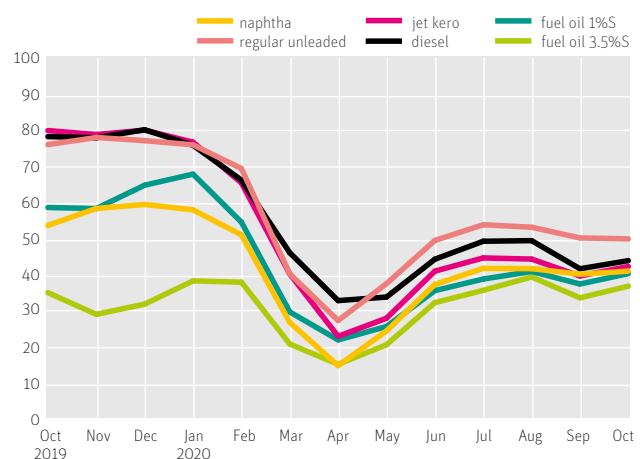


Table and Graph 4: South European market – spot cargoes, fob Italy

\$/b

	naphtha	premium gasoline 50ppm	diesel ultra light	fuel oil 1 per cent S	fuel oil 3.5 per cent S
2019	52.79	70.58	79.43	62.46	40.90
	56.62	73.46	79.19	62.64	29.53
	56.98	72.47	81.57	69.69	32.85
2020	56.03	70.83	76.90	71.66	40.11
	49.46	64.69	67.60	58.81	40.47
	24.88	34.88	46.76	33.38	22.93
	10.50	23.42	32.21	25.41	15.90
	22.71	32.59	35.23	28.78	21.71
	36.60	43.96	45.89	38.36	32.68
	41.56	47.45	50.49	41.68	36.18
	41.49	49.00	50.33	43.66	38.20
	39.21	48.52	44.31	40.56	34.92
	41.07	46.18	45.12	43.27	36.10

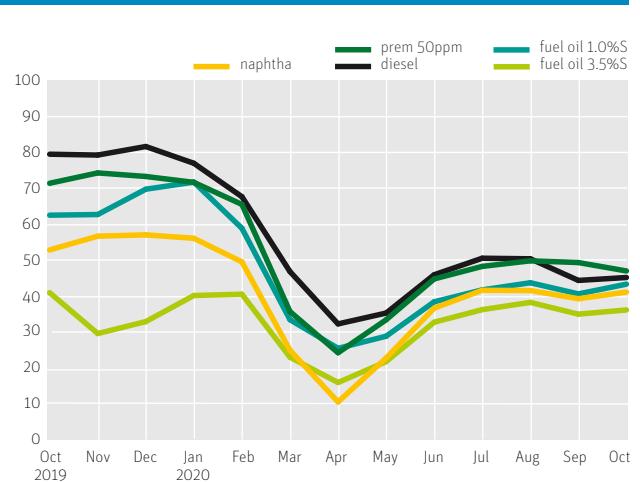
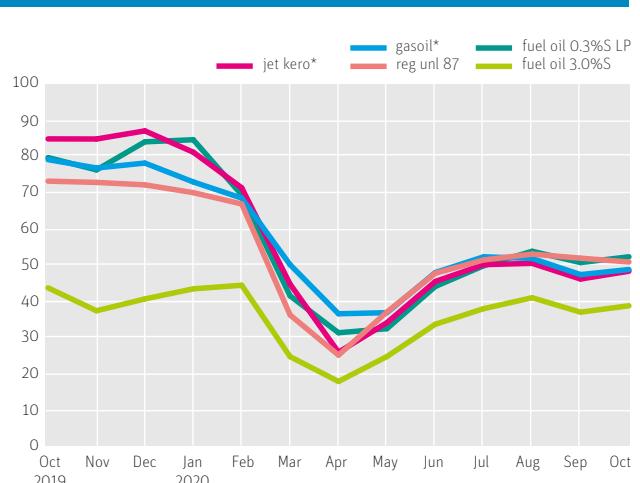


Table and Graph 5: US East Coast market – spot cargoes, New York

\$/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
2019	72.80	78.73	84.44	79.31	43.41
	72.45	76.42	84.41	75.89	37.09
	71.78	77.78	86.65	83.63	40.35
2020	69.63	72.58	80.77	84.21	43.13
	66.51	68.13	70.97	69.02	44.12
	35.93	49.77	44.40	41.19	24.44
	24.87	36.26	25.67	31.03	17.61
	36.74	36.56	33.80	32.15	24.48
	47.44	47.62	45.16	43.79	33.37
	51.09	51.96	49.80	49.49	37.67
	52.70	51.50	50.15	53.48	40.68
	51.58	47.05	45.83	50.37	36.70
	50.53	48.45	47.99	51.96	38.47



* 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
2019	October	57.14	74.19	68.04	75.55	75.38	46.63	46.25
	November	59.76	76.11	71.39	75.22	74.89	38.41	38.19
	December	63.62	74.82	71.34	78.24	77.75	42.22	41.20
2020	January	61.06	71.13	69.08	76.03	75.34	50.82	49.41
	February	52.56	64.34	62.62	64.66	63.05	45.56	44.34
	March	30.60	36.42	35.08	44.42	39.39	30.71	30.06
	April	17.86	20.49	19.42	28.85	21.35	22.81	22.23
	May	26.49	33.44	30.81	34.04	28.94	26.09	24.92
	June	39.06	45.21	42.75	46.05	41.16	36.04	34.66
	July	43.60	46.56	44.74	49.82	43.92	38.43	38.43
	August	43.08	48.18	46.96	48.10	43.28	41.21	40.60
	September	43.19	47.27	45.66	43.30	39.37	38.67	37.98
	October	41.88	45.96	44.79	43.43	41.65	40.22	38.90

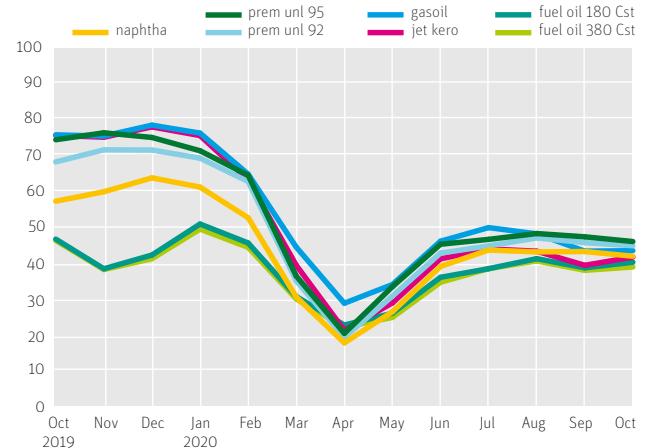
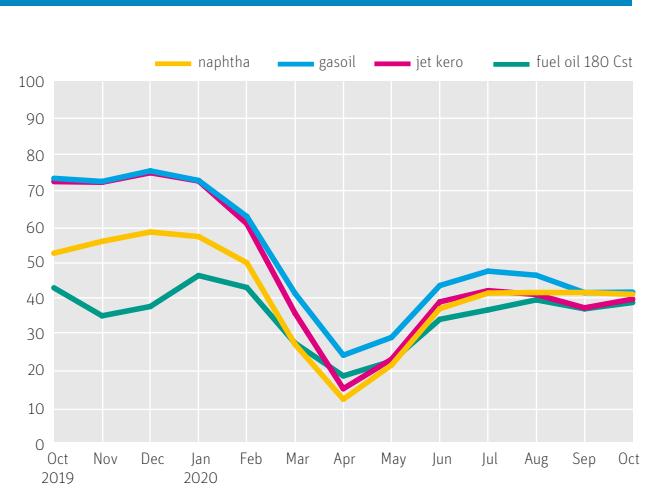


Table and Graph 7: Middle East Gulf market – spot cargoes, fob

\$/b

	naphtha	gasoil	jet kero	fuel oil 180 Cst
2019	52.70	73.31	72.42	43.18
	55.96	72.45	72.24	35.47
	58.54	75.36	74.85	38.03
2020	57.28	72.72	72.59	46.56
	50.06	62.81	60.82	43.26
	27.60	41.63	36.18	27.92
	12.50	24.62	15.40	18.92
	21.91	29.52	23.50	22.97
	37.45	43.80	39.30	34.49
	41.71	47.77	42.40	37.10
	41.88	46.63	41.33	39.86
	41.88	41.85	37.66	37.39
	41.39	41.99	40.06	39.13



Source: Argus. Prices are average of available days.

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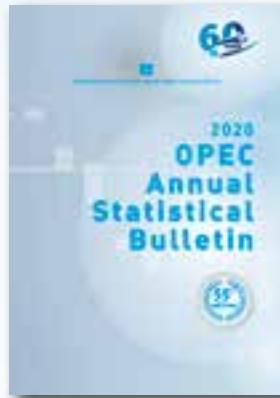
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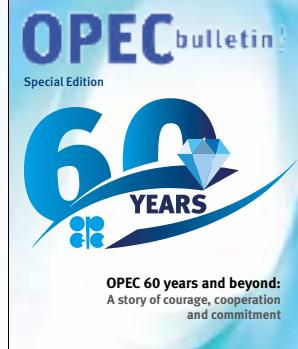
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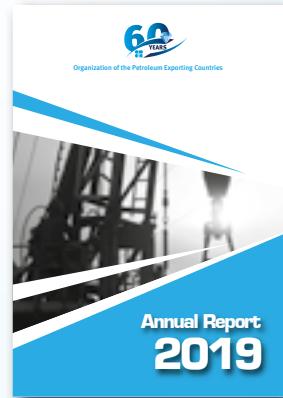
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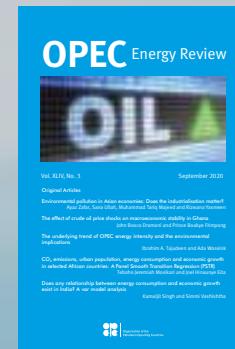


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