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OAPEC'S 103RD MINISTERIAL MEETING



KUWAIT'S PM HH SHEIKH SABAH AL KHALID RECEIVES OAPEC MINISTERIAL COUNCIL MEMBERS



155TH MEETING OF OAPEC EXECUTIVE BUREAU



The Cover



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The Organization of Arab Petroleum Exporting Countries (OAPEC) was founded on the basis of the agreement signed in Beirut, Lebanon on 9 January 1968 between the governments of Kingdom of Saudi Arabia, the State of Kuwait and the (then) Kingdom of Libya. The agreement stipulates that the Organization shall be domiciled in the City of Kuwait.

The principal objective of the Organization is the cooperation of the members in various forms of economic activity in the petroleum industry, the determination of ways and means of safeguarding the legitimate interests of its member countries in this industry, individually and collectively, the unification of efforts to ensure the flow of petroleum to its markets on equitable and reasonable terms, and providing appropriate environment for investment in the petroleum industry in member countries.

In 1970 the United Arab Emirates, the State of Qatar, the Kingdom of Bahrain and the Republic of Algeria joined the Organization, followed by the Syrian Arab Republic and the Republic of Iraq in 1972, Arab Republic of Egypt in 1973, then the Republic of Tunisia in 1982 (its membership was suspended in 1986). Any Arab country which derives a significant share of its national income from petroleum is eligible for membership in OAPEC upon the approval of three-quarters of the member countries, including all three founding members.



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• OAPEC-Joint Ventures:

OAPEC has sponsored the creation of four companies: The Arab Maritime Petroleum Transport Company (AMPTC), established in 1972 with headquarters in Kuwait City, the Arab Shipbuilding and Repair Yard Company (ASRY) established in 1973 with headquarters in Bahrain, the Arab Petroleum Investments Corporation (APICORP) established in 1974 with headquarters in Khobar, Saudi Arabia, the Arab Petroleum Services Company (APSC) established in 1975 with headquarters in Tripoli, Libya.

OAPEC'S ORGANS

The Organization carries out its activities through its four organs:

- **Ministerial Council:** The Ministerial Council is the supreme authority of the Organization, responsible for drawing up its general policy.
- **Executive Bureau:** The Executive Bureau is composed of one representative from each of the member countries, drawing recommendations and suggestions to the Council, reviewing the Organization's draft annual budget and submitting it to the Council, it also adopts the regulations applicable to the staff of the General Secretariat. The resolutions of the Executive Bureau are issued by the majority of two-thirds of all members.
- **General Secretariat:** The General Secretariat of OAPEC plans, administers, and executes the Organization's activities in accordance with the objectives stated in the agreement and directives of the Ministerial Council. The General Secretariat is headed by the Secretary General. The Secretary General is appointed by resolution of the Ministerial Council for a tenor of three years renewable for similar period(s). The Secretary General is the official spokesman and legal representative of the Organization and is accountable to the Council. The Secretary General directs the Secretariat and supervises all aspects of its activities, and is responsible for the tasks and duties as directed by the Ministerial Council. The Secretary General and all personnel of the Secretariat carry out their duties in full independence and in the common interests of the Organization member countries. The Secretary General and the Assistant Secretaries General possess in the territories of the Organization members all diplomatic immunities and privileges.
- **Judicial Tribunal:** The protocol of the Judicial Tribunal was signed in Kuwait on 9 May 1978 and came into effect on 20 April 1980. The Tribunal is competent to consider all disputes related to the interpretation and application of OAPEC's establishment agreement, as well as disputes arising between two or more member countries concerning petroleum operations.



UN CLIMATE CHANGE CONFERENCE (COP25)

The curtain recently fell on the UN Climate Change Conference (COP25) in Madrid, Spain, after over two weeks of negotiations. Senior officials from 200 countries gathered to finalise The Paris Agreement Guidelines Booklet to form a basis for international efforts to combat global warming according to the 2015 agreement articles aiming at reducing global temperature by 1.5-2° above pre-industrial baseline.

The COP25's goal was to find a way out on issues pending from COP24 that was held in Katowice, Poland, in 2018. Madrid negotiations focused on finding an active international emissions exchange system and compensating poor countries in regards to damage and loss caused by climate change.

This conference came at a time when the global economy is facing significant changes, especially for the petroleum industry, as the Paris agreement will enter into force in 2020. This will be a very important turning point for the multi-

party international efforts on tackling and mitigating climate change through trying to reduce target levels of GHG and their impact on the energy sector.

Sharp divisions prevailed stances and views adopted by the countries across the world on GHG emissions reduction during Madrid Summit. Many countries considered it insufficient to curb rising temperatures.

Following two weeks of tough negotiations, the COP25 concluded on Sunday 16 December 2019 (with 2 days extension beyond the original closing date) in order to officially discuss means for boosting the implementation of the Paris Climate agreement and to complete the agreement's "Guidelines Book". Outcomes included:

Disagreement on article VI of the Paris agreement on cooperative methods (international carbon markets). Discussing the issue has been postponed to the coming COP26 in Glasgow, Scotland, in November 2020. There was no agreement

between the Parties on raising global ambitions on climate action. The IPCC's report on the importance of oceans was stressed. The Parties pledged to help poor developing countries impacted by climate change. They agreed to raise climate ambitions on cutting emission in 2020 in accordance with the IPCC report on the 1.5° degrees by the end of the century. The conference also urged for carbon neutrality and shifting to green energy to boost job opportunities.

Article VI (carbon markets) is among the important issues for the Parties. It is adopted by the EU countries in order to curb oil and gas consumption, which contradicts with the interests of the oil and gas producing and exporting countries. Also, among important issues is response measures. All these issues form the core of the next negotiations in Scotland 2020.

Many Arab countries have actively participated in COP25, beside the Arab Negotiating Group of the Arab League and a delegation from OAPEC Secretariat

General. The Arab Negotiating Group worked hard on ensuring a coordinated stance of the Arab countries in daily coordination with OAPEC Secretariat General. OAPEC was also part of the activities of the GCC Council, the Arab League, ESCWA and Egypt's Rep at the G77+China discussing the developments, progress, and challenges of the negotiations.

Having participated in Madrid Climate Summit, OAPEC Secretariat General would like to underscore the importance of implementing the Paris Agreement, especially article VI, in addition to paying attention to adaptation, mitigation, respecting and activating the articles of the agreement, balancing all issues to reach a fair and balanced format for the response measures. Also, there is a need for a national and international action roadmap to cut all types and sources of emissions in a fair way that conforms to sustainable development goals taking into consideration the interests of the fossil-fuel based economies.



HH THE EMIR OF KUWAIT RECEIVES OAPEC MINISTERIAL COUNCIL MEMBERS

On 22 December 2019, the Emir of Kuwait HH Sheikh Sabah Al Ahmad Al Sabah received HE Dr Khalid Al Fadhel, Kuwait’s Minister of Oil, Electricity, and Water, accompanied by OAPEC oil and energy ministers and heads of delegations taking part in the 103rd Ministerial Meeting held in Kuwait on the same day.



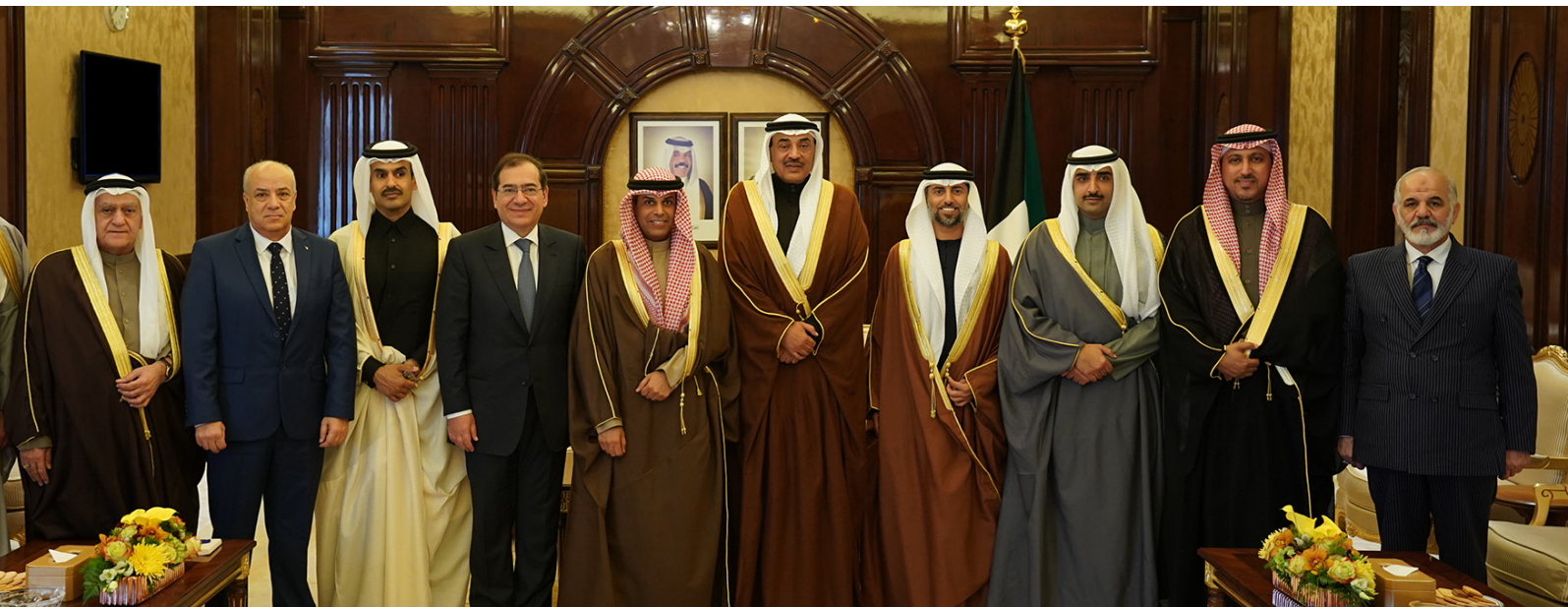
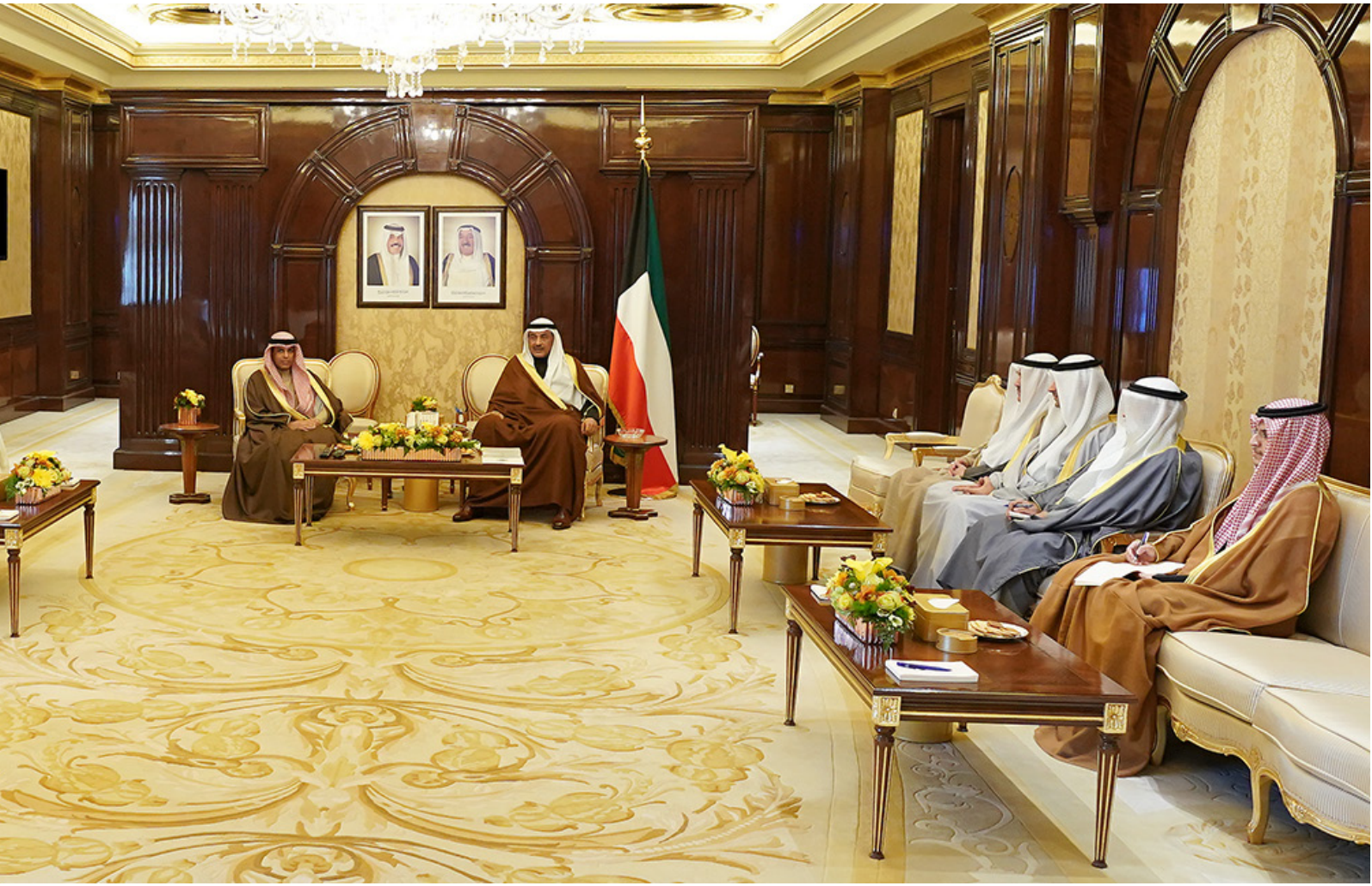




KUWAIT'S PM HH SHEIKH SABAH AL KHALID RECEIVES OAPEC MINISTERIAL COUNCIL MEMBERS

On 22 December 2019, Kuwait's Prime Minister HH Sheikh Sabah Al Khalid Al Sabah received HE Dr Khalid Al Fadhel, Kuwait's Minister of Oil, Electricity, and Water, accompanied by OAPEC oil and energy ministers and heads of delegations taking part in the 103rd Ministerial Meeting held in Kuwait on the same day.







OAPEC'S 103RD MINISTERIAL MEETING



OAPEC's 103rd Ministerial Meeting was held in Kuwait on 22 December 2019 and chaired by Bahrain's Minister of Oil HE Sheikh Mohammed bin Khalifa Al Khalifa, as Bahrain chairs the 2019 round.

The Chair inaugurated the meeting welcoming Their Excellencies the ministers and heads of delegations. The Minister wished the meeting all success while stressing that OAPEC's ultimate goal is achieving cooperation between its member countries.

He also welcomed Kuwait's Oil Minister and Electricity and Water Minister HE Dr Khalid Al Fadhel who is taking part in the meeting for the first time. The Chair also expressed thanks and appreciation to the State of Kuwait for the hospitality and warm welcome wishing Kuwait prosperity and further development. He also wished the ministerial meeting all success.

OAPEC Secretary General HE Abbas

Al Naqi then followed with a speech welcoming Their Excellencies the ministers and heads of delegations. He also welcomed Kuwait's Oil Minister and Electricity and Water Minister HE Dr Khalid Al Fadhel who is taking part in the meeting for the first time wishing him success in his new post. He then expressed thanks and appreciation to the State of Kuwait for the hospitality and warm welcome wishing Kuwait prosperity and further development. HE Al Naqi also reviewed OAPEC's progress and achievements in the last decade and concluded his speech by wishing the meeting all success.

The Council then approved the agenda, and deliberated its items as follows:

The Council endorsed the minutes of the 102nd Ministerial Council Meeting, held in Kuwait, at representatives' level on 27/04/2019.

Taking note of the OAPEC Scientific Award 2018 under the title “Petroleum & Energy Related Research including Supplies, Consumption & Prices” and approved the Award Arbitration Committee’s decision to:

- Conceal the 1st Prize
- Award the 2nd Prize (KD 5000) to a research study titled “Oil Price Impacts on the Relation between Economic Diversification & Economic Growth: Applied Study on OAPEC Member Countries” by Ms Amina Ali from Bahrain.
- The draft of OAPEC’s projected budget for 2020 (Secretariat General and Judicial Tribunal) was approved.
- Al Bassam & Partners were reappointed as OAPEC (Secretariat General and Judicial Tribunal) Auditors for 2020.
- The Executive Bureau was tasked to prepare a plan to activate and develop the role of OAPEC to be submitted at the Ministerial Council Meeting during 2020 with the support of the Secretariat General.
- The Council resolved to extend the period where the Republic of Iraq is assigned to supervise the Arab Oil Training Institute, for one year, with effect from 1 January 2020.

Reviewing the Secretariat General’s report on OAPEC activities on:

- Finalized studies prepared by the Secretariat General during 2019 (10 technical and economic studies on oil and energy)
- The Council was informed about the

contents of OAPEC Report on the World’s Petroleum Conditions.

- Following up environment and climate change issues, most importantly the outcome of the COP-25 held in Madrid, Spain, from 2 to 13 December 2019.
- Databank progress and activity development
- All activities which the Secretariat General organized or took part in during the second half of 2019 (23 events)
- The Council reviewed OAPEC Joint Ventures Activity Report in 2018 and the first half of 2019, and took note of the outcome of the 48th Coordinating Meeting of the Joint Ventures Officials held in Cairo, Egypt, on 28/10/2019, which encouraged continued coordination and cooperation among these joint ventures.
- The Council appointed Mr Ali Sabt bin Sabt as OAPEC’s new Secretary General for three years as of March 2020.
- The chairmanship of the next round of the Ministerial Council and Executive Bureau will be assigned to Algeria as of January 2020.
- The Ministerial Council’s Chairman sent a cable on behalf of the Council to the Emir of Kuwait HH Sheikh Sabah Al Ahmad Al Jaber Al Sabah, expressing thanks and appreciation for Kuwait’s hospitality and warm welcome while hosting the meeting.
- It was agreed to hold the next Ministerial Meeting in Kuwait on 13 December 2020.



155TH MEETING OF OAPEC EXECUTIVE BUREAU



HE ABBAS ALI AL-NAQI
Secretary General, Organization of Arab Petroleum Exporting Countries (OAPEC)

OAPEC Executive Bureau held its 155th Meeting on 19-20 December 2019 in Kuwait. It was chaired by Bahrain’s Rep at OAPEC Executive Bureau HE Fayhan Al Fayhani. Bahrain chairs the 2019 term.

His Excellency the Chairman opened the meeting welcoming Their Excellencies the members of the Executive Bureau and wishing them a pleasant stay in Kuwait. His Excellency the Chairman extended thanks to Kuwait for the hospitality and warm welcome. He also thanked OAPEC



HE Fyhan M. AL Fihany
BAHRAIN

Secretary General HE Abbas Al Naqi and the Secretariat General’s staff for arranging the meeting.

On his part, OAPEC Secretary General HE Abbas Ali Al Naqi welcomed the conveners and thanked Kuwait for hosting and facilitating the Organization’s meetings while wishing the event all success.

He then reviewed the main points on the agenda pointing out that the meeting is allocated for OAPEC’s 103rd Ministerial Meeting preparations.



HE Mohammed Ras El Kaff
ALGERIA



HE Geologist Ashraf Mahmoud Mohammad Faraj
EGYPT



HE Eng. Mahmoud Abdel Amir Hashem
IRAQ



HE Sheikh Dr. Nimer Fahad Al-Malek Al-Sabah
KUWAIT



HE Sheikh Mishall bin Jabor Al Thani
QATAR



HE Eng. Nasser Bin Ibrahim Al Fawzan
KSA



HE Eng. Abdullah Al Khattab
SYRIA



HE Dr. Mattar Al Neyadi
UAE



HE AL NAQI'S PARTICIPATION IN THE HIGH-LEVEL ARAB ACTIVITIES AT COP25

As part of the Arab high-level activities at the UN Climate Change Conference (COP25) in Madrid, Spain, OAPEC Secretary General HE Abbas Al Naqi took part as keynote speaker in the panel on the “Efforts and Achievements of Arab Countries and Partner Organisations on Climate Action” held on 11 December 2019. Arab ministers and their official delegations participated in the session.



Speakers included:

On behalf of the countries: **Mr Ayman Shasly** (KSA, Head of the Arab Negotiating Group on Climate Change); **Mr Ammar Hijazi** (Palestine, Current G77+China Presidency); **HE Wael Kamal Abul Magd** (Egypt, Former G77+China Presidency).

On behalf of organisations: **Mr Jamal Al Deen Jaballah** (Director of Environment, Housing, and Water Resources at the Arab League); **HE Dr. Rola Dashti** (Executive Secretary General, UN ESCWA); **HE Abbas Al Naqi** (OAPEC Secretary General).

Arab Group member Ms Bushra Al Hanae'i administered the session, which tackled 2 issues:

Arab countries' experiments in tackling



climate change issues in line with their concerns over economic and social development; poverty elimination; food, water, and energy security and relating them to the progress of negotiations in terms of implementation.

Initiatives and activities to tackle climate change challenges in the Arab region.



OAPEC'S SPEECH AT COP25 MADRID, SPAIN, 2019

**In the Name of Allah the Most Gracious Most Merciful
Mr President,
Heads of Delegations,
Ladies and Gentlemen,**

Good evening,

Firstly, I would like to extend my sincere thanks to the Kingdom of Spain for hosting this important global conference, COP25. In the same vein, thanks also go to the Government of Chile.

Distinguished audience,

Facing the potential Climate Change impacts is possible through the cooperation of all countries in order to cut emissions causing global warming. The Parties are also required to deliver with regards to their climate change obligations. We see it imperative that when time comes to implement the agreement and its subsequent legal formats, that the agreement takes into consideration the conditions of the developing countries, especially those whose economies and development depend on a single or almost single source of revenues as they might be affected negatively by implementing this agreement and its appendices. This is in spite of the fact that these countries' GHG emissions constitute a slight proportion of the total global emissions. This calls for providing the required and appropriate funding for the developing countries in general to face this phenomenon along with providing technology and capacity building, as well as, the fact that international efforts should take into consideration the common but differentiated responsibilities and fairness in all aspects of action and equal treatment in terms of adaptation and mitigation. No restrictions should be imposed on contributions in article VI based on NDCs.

Mr President/ Dear Audience

- We are aspiring that the current COP25 in Madrid would be a step forward towards a tangible progress on:
- Providing the required and appropriate funding for the developing countries in general to face this phenomenon along with providing technology and capacity building.
- Response measures to avoid negative social and economic impacts. All Parties should be able to contribute to cooperation methods. Article VI should reflect the accelerating nature of the NDCs.
- Respecting and activating the agreement concepts and calling for a balanced treatment of all issues.

More attention to adaptation and funding in line with Paris agreement.

Finally, I reiterate my sincere thanks and appreciation to the government and people of the Kingdom of Spain for hosting the conference; and to the government of Chile. We hope the COP25 outcomes would come out in a doable and applicable format and resolutions and in a way that serves the interests of all nations around the world.

Thank you.



On the side-lines of COP25, OAPEC Secretary General **HE Abbas Al Naqi** held talks with the Executive Secretary of the UN Economic and Social Commission for Western Asia (ESCWA) **HE Dr Rola Dashti**. The meeting aimed at discussing aspects of cooperation on climate change issues in light of the COP25 outcomes. The meeting was attended by Mr Abdul Kareem Ayed from OAPEC Secretariat General and a number of officials from ESCWA.





HE AL NAQI AT FIKR17

OAPEC Secretary General HE Abbas Al Naqi took part in The Arab Thought Foundation’s 17th Annual Conference “Fikr” held in partnership with the King Abdulaziz International Cultural Centre “Ithraa” during the period from 2 to 5 December 2019 in Dhahran, Saudi Arabia. This year’s theme was “Towards a New Arab Thought”. A group of international and Arab officials participated in the event.

HE Al Naqi was part of the fifth open dialogue session titled “A New Concept for Development” held on 4

December 2019 aiming at reviewing traditional economic thoughts in light of: rising developmental experiences with the emergence of popular capitalism concepts, inclusive economy, social economy, and rising calls for including ethics and integrity in economic analysis without sufficing with profit as parameter, as well as, overtaking the concept of economic growth to reach sustainable development. The session also aimed at checking how far new ideas exist in the Arab economic development thought through a number of experiences and visions highlighting “KSA’s 2030 Vision” as an example.



HE AL NAQI AT OISA ANNUAL MEETING

OAPEC Secretary General HE Abbas Al Naqi said that OAPEC member countries enjoy an important status in the international oil and natural gas markets due to their large proven reserves of oil and gas, as well as, the petroleum products they export to global markets.

In his speech at the annual meeting of the Organization of The Islamic Shipowners' Association (OISA) on 8 November 2019 in Dubai, UAE, HE Al Naqi added that OAPEC members will continue to play a key role in meeting future global oil and gas demand to contribute actively to the stability of the global energy markets. It is interesting that the combined proven oil reserves of the following OAPEC members (KSA, Iraq, Kuwait, UAE, Libya, and Algeria) represent about 56% of the world's total reserves. It is generally expected that these countries will remain the main oil suppliers on the mid- and long-runs. To achieve this, there will be additional need for boosting production capacity which calls for huge investments in exploration and production. Such investments should be parallel to stability, security, and ensuring continued global oil demand in order for these investments to be justified by having economic and fiscal revenues. Security of supply for consuming countries should be mirrored by security of demand for oil producing and exporting countries.

He pointed out to the challenge that will face shipping and maritime transportation which is improving ship fuel as the International Maritime Organisation (IMO) has ruled that from 1 January 2020, marine sector emissions in international waters be slashed. The marine sector will have to reduce sulphur emissions and sulphur content percentage of the ship fuel "Marine Bunker" from 3.5% to a maximum of 0.5% by 2020. These regulations aim at cutting sulphur dioxide, nitrogen oxides, and other pollutants of global vessels in line

with international environment legislations. Analysts expect that the implementation of this regulation will have its implications for the shipping and refining sectors.

Al Naqi clarified that there are a number of options for the maritime and shipping companies:

- Commitment to the (IMO) regulation by using low-sulphur fuel of no more than 0.5% of content
- Continuing to use high-sulphur fuel while installing on-board scrubber devices
- Using other alternatives like LNG or biofuels

As for refining, Al Naqi said they can mix the low-sulphur diesel with ship fuel, which is not an economic solution as it will have a negative impact on the profitability of refineries. Or, they can opt for upgrading the refineries to improve their flexibility in reducing the sulphur content in fuels through further processing and transformational operations, which is very expensive.

Al Naqi said there are many national companies in the member countries that play an important role in shipping oil and gas including OAPEC's joint ventures: the Arab Maritime Petroleum Transport Company (AMPTC) and Arab Shipbuilding and Repair Yard Company (ASRY). The latest statistics reflect the size of OAPEC countries' activities in these markets. There are 92 crude oil tankers in OAPEC members, representing 6.9% of the world's total, with a loading capacity of 13.113 million static tons, representing 10.8% of the world's total. As for LNG tankers, there are 84 tankers in the member countries with a loading capacity of 10.710 million cubic metres, representing about 15.4% of the world's total. On LNG, there are 29 tankers with a total loading capacity of 1.325 million cubic metres accounting for 4% of the world's total.



2ND GAS & LNG MIDDLE EAST SUMMIT



OAPEC Secretariat General took part in the 2nd Gas & LNG Middle East Summit held in Muscat, Oman, on 9 and 10 December 2019.

It gathered key industry players- both regionally and globally- including: the Gas Exporting Countries Forum, PETRONAS, KAPSARC, and Omani oil and gas experts.

The Summit consisted of 6 sessions on natural gas and LNG industries and trade, their role in achieving sustainable development, the role of the Middle East in securing regional and global energy demand, LNG infrastructure development projects in the region, as well as, the competitive marketing environment.

Dr Samir Al Kareish, Director of the Technical Affairs Department, represented OAPEC at the event. He chaired the first session on Day 1 on “Natural Gas Markets: Trends & Opportunities” where speakers reviewed MENA’s huge natural gas potentials and resources and their impact on the industry’s sustainable growth. They also tackled future trends, challenges, and key opportunities in the global gas market.

OAPEC AT GULF REFINING UNION'S MEETINGS

OAPEC Secretariat General took part, as knowledge partner, in the Annual Meeting for the Gulf Refining Union's Technical Committees Liaison Officers and Experts on 11 December 2019 in Manama, Bahrain.

The meeting was attended by the Gulf Refining Union's board of directors' members, liaison officers and experts of the technical committees, ARAMCO, BAPCO, KNPC, ADNOC, and other Arab and international companies and organisations.

Dr Samir Al Kareish, Director of the Technical Affairs Department, represented OAPEC at the event. He took part in a session on "The Role of Specialized Technical Committees in Identifying Key Challenges Facing the Refining Industry."

OAPEC has also taken part in the meeting of the Industry Trends Committee at the Gulf Refining Union in Abu Dhabi, the UAE, on 27-28 November 2019. A group of renowned companies took part in the event including: IHS, Shell, BCG, and Stratas Advisors.

The meeting discussed the committee's activities including a study on digitalising refineries; the committee's report on the Reduction Scheme for International Aviation (CORSA); and a draft report on increasing the added value to Sulphur products produced by the GCC refineries, whose production is expected to grow soon. Dr Yasser Al Baghdad, Oil Industries Expert from the Technical Affairs Department, represented OAPEC at the meeting.





KUWAIT BLUE HYDROGEN SYMPOSIUM

OAPEC Secretariat General took part in the Kuwait Blue Hydrogen Symposium held at Kuwait Petroleum Corporation on 12 December 2019, in collaboration with Kuwait Foundation for the Advancement of Sciences (KFAS), Japan Cooperation Center Petroleum (JCCP), and Kuwait Oil Company (KOC).

Many experts, senior officials and policy makers from local and international corporations, governmental bodies, industrial private sector, OPEC, Oxford Institute for Energy Studies, IEA, and other bodies took part in the symposium.

The goal of the symposium was to provide an overview of the hydrogen industry and the latest developments that are expected to contribute to the development of the industry. It also aimed at highlighting opportunities producing blue hydrogen from oil and gas resources. The

symposium discussed technical, economic, and legislative challenges facing the commercial production of hydrogen. It also assessed potential plans for blue and green hydrogen production in Kuwait.

The symposium consisted of four sessions that presented 12 technical papers, in addition to a closing dialogue session with a number of experts. The closing session discussed the most important proposals and recommendations of the symposium which would contribute to helping policy makers in identifying opportunities for Kuwait to enter the hydrogen economy.

OAPEC Secretariat General was represented by the Director of the Economic Affairs Department Mr Abdul Fattah Dandi, and Senior Refining Expert at the Technical Affairs Department Eng. Emad Mekki.



KUWAIT VISION 2035 'NEW KUWAIT SUMMIT'

OAPEC took part in Kuwait Vision 2035 'New Kuwait' Summit and the accompanying exhibition held in Kuwait on 10 and 11 December 2019 at Jaber Al Ahmad Cultural Centre. The event was attended by senior governmental and private sector officials, Ambassadors, Heads of Missions, and participants from Arab and foreign countries. The Summit was co-organised by the Secretariat General of the Council of Ministers, the Supreme Council for Planning and Development and Kuwait's Information Ministry.

The goal of the conference is to showcase new methods and policies that would boost economic and social development in Kuwait.

HE Mariam Al Aqeel, Kuwait's Minister of State for Economic Affairs and Acting Finance Minister, opened the Summit on behalf of the Patron His Highness The Prime Minister Sheikh Sabah Al Khaled Al Hamad Al Sabah. She gave a speech welcoming Kuwait's guests and conference participants to the third edition of New Kuwait campaign for the year 2019. In her speech, she tackled Kuwait's future developmental plans stressing that cooperation between public and private sectors contributes to the efforts on economic development, production growth, improving living standards, and citizens' prosperity.

HE Al Aqeel stressed the importance of media support for the New Kuwait 2035 project that was launched back in 2017. Through this campaign,

the government aims at familiarising citizens and expats with this vision in coordination with concerned authorities via unconventional ways beyond traditional media by involving the society in spreading hard work culture and cooperation for achievement and progress. The Minister enumerated the 7 pillars of Kuwait's development plan aiming at raising awareness and creating a new concept of citizens' sustainable development.

Among key issues of the conference:

- Kuwait's position in the global context
- Attracting foreign investments: opportunities and challenges
- Developing Kuwait's infrastructure
- Kuwait's economic diversification potentials
- Current and future planning in the public health sector
- Oil and gas industry's developments

Kuwait's development plan's 7 pillars are:

- Active governance
- Diversified sustainable economy
- Developed infrastructure
- Sustainable living environment
- High-quality healthcare
- Creative human resources
- Distinguished international status

OAPEC was represented at the event by Mr Nasser Bakheet of the Information and Library Department.



OAPEC AT GECF & IEF ACTIVITIES



OAPEC took part in the activities organized by the Gas Exporting Countries Forum (GECF) and the International Energy Forum (IEF) from 26 to 30 November 2019 in Malabo, Equatorial Guinea.

JODI Gas Information Session

The session was held on the sidelines of the 5th Gas Summit of Heads of State and Government of the GECF Member Countries on 26 November 2019 in Malabo, Equatorial Guinea.

The session was attended by Reps of some JODI Initiative Partners, along with OAPEC in its capacity as JODI Associate.

The session offered an opportunity for a cross-section of policy makers and industry moguls from Africa to meet and share their experiences on data quality and the importance of energy data transparency. The JODI Partners have envisaged that discussions and exchange of ideas during the conference to help strengthening existing JODI activities, and would also serve as a catalyst to enhance the role of JODI beyond its current framework.

OAPEC Rep Mr Abdul Fattah Dandi, Director of the Economic Affairs Department, presented a paper at the opening session which also included the following speakers:

- HE Gabriel Mbagha Obiang Lima, Minister of Mines and Hydrocarbons of Equatorial

Guinea

- HE Dr SUN Xiansheng, Secretary General of the International Energy Forum (IEF)
- HE Yury Sentyurin, Secretary General of the Gas Exporting Countries Forum (GECF)
- Mr Dabu Odulaga, Head, Data Services Department at OPEC

Mr Dandi also presented another technical paper on the importance of energy data transparency and quality in serving the UN sustainable development goals 2030.

The 2nd International Gas Seminar

The 2nd International Gas Seminar was held for the first time in Africa on 27 November 2019, as part of the Gas Exporting Countries Forum 5th Gas Summit in Malabo, Equatorial Guinea. The Seminar title was “Gas: Challenging the Current Situation; Creating Sustainable Future.” The 5 sessions of the seminar tackled various issues including the role of natural gas in the geopolitical context with a special focus on the importance of developing current gas infrastructure and competitiveness in terms of costs, as well as, regional integration to utilize global gas reserves. Other topics included the role of natural gas in achieving the UN sustainable development goals and industry digitalization as a way to make a shift in production and efficiency.

ENG. WAEL ABDEL MOATI WINS INTERNATIONAL AWARD



The renowned Petroleum Economist Magazine presented Engineer Wael Abdel Moati, Gas Industries Expert at OAPEC Secretariat General with the “Future Leader Award 2019” for his active participation in its meetings. Representatives of giant international oil companies attended the award ceremony which was held in London, UK, on 19 November 2019.

On this occasion, OAPEC Secretariat General would like to congratulate Eng. Abdel Moati wishing him all success in his career.

5th Gas Summit of Heads of State and Government of the GECF Member Countries

The 5th Summit of Heads of State and Government of the Gas Exporting Countries Forum Member Countries was convened in Malabo, Equatorial Guinea on 29 November 2019. Official delegations from Algeria, Egypt, Libya, Qatar, Russia, Trinidad and Tobago, United Arab Emirates, Venezuela, Angola, Azerbaijan, Norway, and Oman participated in the Summit at the Ministers and high-level officials’ level.

Summarizing the statements and the comments by the major decision and policymakers in the gas and oil industry, the Malabo Declaration ‘Natural Gas: Energy for Sustainable Development’ was unanimously supported and approved. Including: **Absolute sovereign rights of the GECF member countries over their natural gas resources:**

- The key role of natural gas in achieving

the UN sustainable development goals, especially goal 7, as gas is an environment-friendly, affordable, reachable, and flexible source to ensure economic and social development

- The vital importance of gas in developing relevant infrastructure to ensure global energy security and more flexible and sustainable energy systems
- The indispensable contribution of gas in protecting the environment in terms of climate change mitigation and adaptation
- GECF member countries’ leading status as having the largest share of natural gas resources in the world, as well as, of gas production and trade; in addition to these countries’ willingness to develop these resources to serve producers and consumers alike.



OAPEC SECRETARIAT GENERAL TOOK PART INTRODUCTORY MEETING ON JOINT ARAB ECONOMIC REPORT 2020



in the Introductory Meeting on the Joint Arab Economic Report 2020 held at the headquarters of the Arab League Secretariat General in Cairo from 3 to 5 December 2019. Representatives from the Arab League's Secretariat General, the Arab Monetary Fund, and the Arab Fund for Economic and Social Development took part in the event. Mr. Al Taher Al Zaytouni, Energy Analyst, and Mr. Majed Amer, Economic Researcher, from the Economic Affairs Department, represented OAPEC Secretariat General at the meeting.

During the meeting, the contents of the 2020 report chapters have been discussed. Their structure has been approved according to the format presented by the institutions working on the report. Chapter 5 on oil and energy developments, prepared by OAPEC Secretariat General, has also been discussed. It covers the general status of exploration; reserves; production (both on Arab and international levels); energy demand; world oil stocks (commercial and strategic); crude oil and gas and petroleum products prices; oil and natural gas exports; and the value of the Arab oil exports. Potential implications for Arab economies have also been reviewed. OAPEC also prepares the section on hydrocarbon industries in chapter 4 on the industrial sector.

Conveners underscored the importance of developing the report contents given its growing importance as a reference to researchers and Arab institutions. It has been agreed that the topic of the pivotal chapter for 2020 will be on the "Digital Economy and Supporting its Role in the Arab Development."

OAPEC RECEIVES A VISITING DELEGATION FROM KUWAIT'S OIL MINISTRY

OAPEC Secretariat General received a visiting delegation from the Ministry of Oil of the State of Kuwait on Wednesday 11 December 2019. During the visit, a presentation on OAPEC databank was given explaining the best way to benefit from the bank's invaluable information and detailed

statistics. The visiting delegation also made a tour in OAPEC library where they listened to a detailed explanation on the library's sections and services for Arab and non-Arab inhouse and external researchers. The aspects of cooperation between OAPEC and the Oil Ministry have also been highlighted.

OBITUARY FOR FORMER OAPEC ASSISTANT SECRETARY GENERAL DR FADHIL AL CHALABI

With a heavy heart, OAPEC mourns and pays tribute to former OAPEC Assistant Secretary General Dr Fadhil Al Chalabi who passed away after a long journey of success and rich scientific contributions and active presence in the media and at specialized energy conferences and forums, especially oil and gas.

OAPEC Secretary General HE Abbas Al Naqi said in a press statement that Dr Al Chalabi had significant contributions to OAPEC work during the 1970s as he assumed the position of Iraq's Rep at OAPEC Executive Bureau from 1972 till 1975; and the position of OAPEC Assistant Secretary General from 11 September 1976 till 8 October 1978. He helped founding the Oxford Energy Seminar and the Arab Energy Conference that are still taking place on defined dates.

Dr Al Chalabi's contributions extended to the international scene as he assumed various prestigious positions including the Deputy Secretary General of OPEC from 1978 to 1988; and OPEC's Acting Secretary General from 1983 to 1988. He also became Executive Director of the Centre for Global Energy Studies in London.

HE Al Naqi added that Dr Al Chalabi had significant scientific contributions during his time at OAPEC where he prepared many key studies like: the Development of Key Features of the Middle Eastern Oil Prices Structure; and the Basic Developments of the Global Oil Industry's Structure, which represented important additions to the Arab petroleum library and helped clarify OAPEC stance towards various petroleum issues back then, especially petroleum economics and the the implications of the industrialised countries' energy policies for the Arab oil producing and exporting countries.

HE Al Naqi extends his, and OAPEC Secretariat Genral Family's, heartfelt condolences to the late Dr Chalabi's family for this great loss.

May his soul rest in peace.

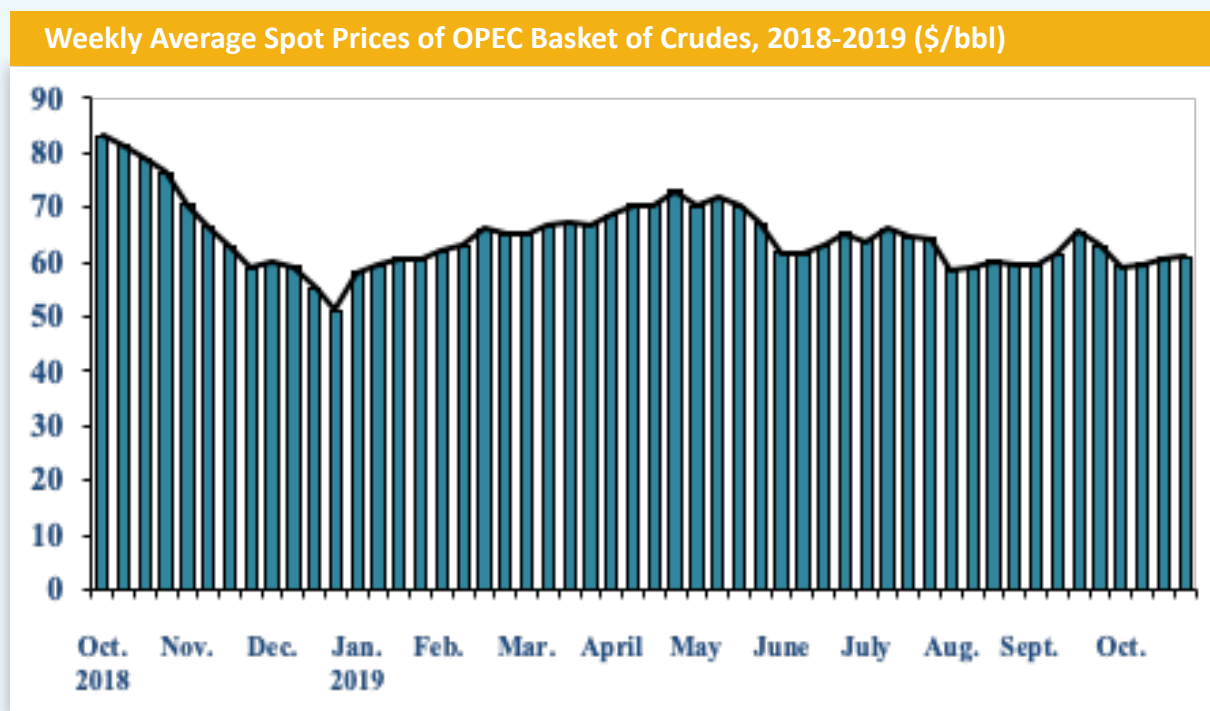


Petroleum Developments in the World Market and Member Countries*

First: World Oil Markets

1. Oil Prices

In October 2019, OPEC Reference Basket decreased by 4% or \$2.5/bbl from the previous month level to stand at \$59.9/bbl. Spike in freight rates to record highs following the decision of the US Treasury Department to impose sanctions against subsidiaries of the China Ocean Shipping Company (COSCO), lower refinery utilization rates in the US, and concerns about oil supply disruption faded, were major stimulus for the decrease in oil prices during the month of October 2019.



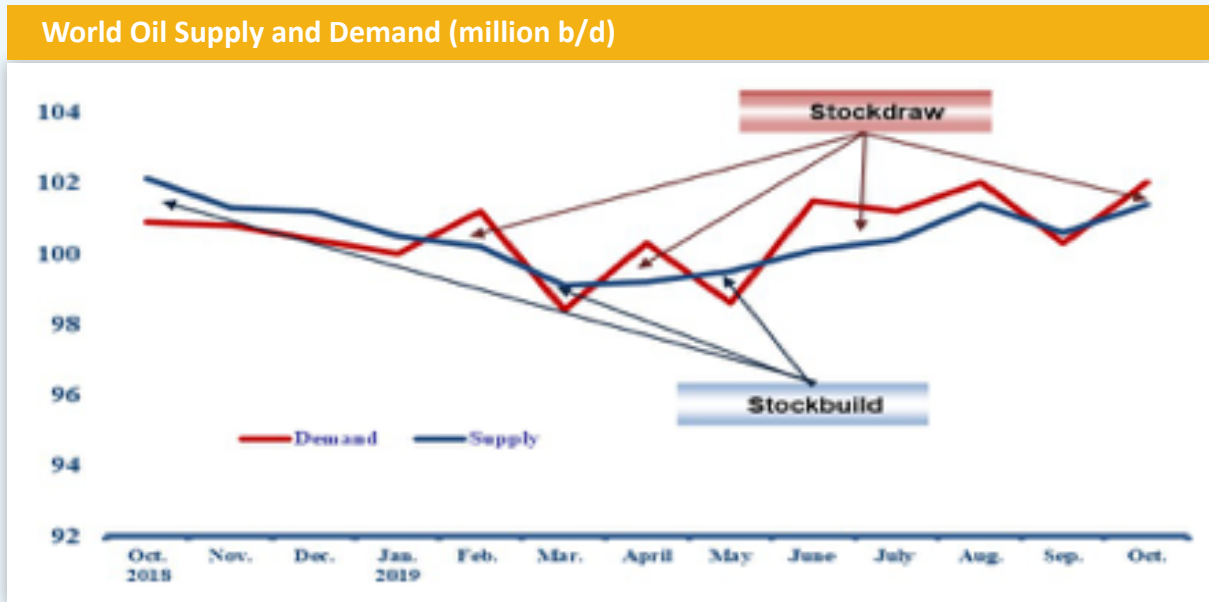
Source: Organization of Petroleum Exporting Countries, OPEC.

2. Supply and Demand

World oil demand in October 2019, increased by 1.7 million b/d or 1.7% from the previous month level to reach 102 million b/d. Demand in OECD countries increased by 1.3% comparing with the previous month to reach 48.6 million b/d. And demand in Non-OECD countries increased by 2.3% comparing with their previous month level to reach 53.5 million b/d.

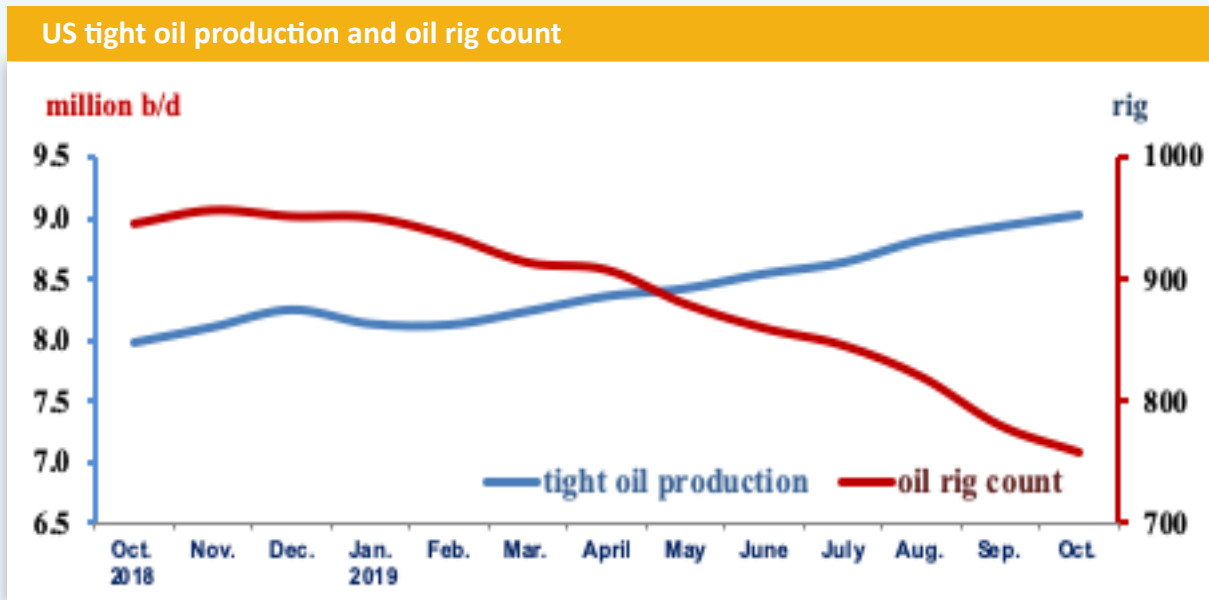
* Prepared by the Economics Department.

World oil supplies in October 2019, increased by 0.8 million b/d or 0.8% comparing with the previous month to reach 101.4 million b/d. OPEC crude oil and NGLs/condensates total supplies increased by 1.5% comparing with the previous month to reach 34.6 million b/d. And preliminary estimates show that Non-OPEC supplies increased by 0.8% comparing with the previous month to reach 66.9 million b/d.



Source: Energy Intelligence Briefing Nov. 5, 2019.

US tight oil production in October 2019, increased by 1.1% to reach about 9 million b/d, whereas US oil rig count decreased for the eleventh month in a row, by 22 rig from the previous month level to stand at 759 rig.

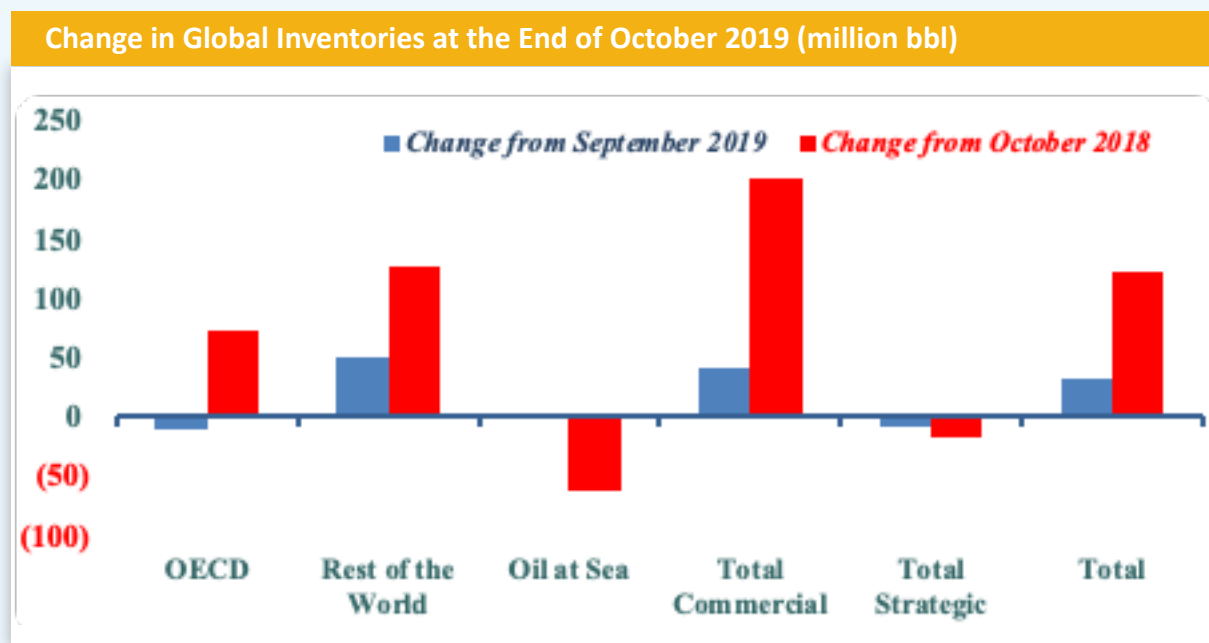


Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions Nov. 2019.



3. Oil Inventories

OECD commercial inventories in October 2019 decreased by 10 million barrels from the previous month level to reach 2944 million barrels, and Strategic inventories in OECD-34, South Africa and China decreased by 8 million barrels from the previous month level to reach 1820 million barrels.



Source: Oil Market intelligence, Jan. and Nov. 2019.

4. Oil Trade

US Oil Imports and Exports

US crude oil imports in October 2019, decreased by 5.2% from the previous month level to reach 6.3 million b/d, whereas US product imports increased by 10.5% to reach about 2.2 million b/d.

US crude oil exports in October 2019, increased by 11% from the previous month level to reach 3.4 million b/d, and US product exports increased by 0.2% to reach about 5.1 million b/d.

Second: Natural Gas Market

1. Prices

- The average spot price of natural gas at the Henry Hub decreased in October 2019 to reach \$2.33/million BTU.
- The Price of Japanese LNG imports in September 2019 decreased by \$0.7/m BTU to reach \$9.47/m BTU, whereas the Price of Chinese LNG increased by \$0.4/m BTU to reach 8.81/m BTU, and the Price of Korean LNG imports increased by \$0.6/m BTU to reach \$9.8/m BTU.

2. Exports

Arab LNG exports to Japan, Korea and China were about 2.736 million tons in September 2019 (a share of 19.5% of total imports).

A decorative horizontal band with a dark olive green background. It features a complex pattern of mathematical symbols and numbers in a lighter, semi-transparent olive green color. The symbols include various numbers (0, 1, 2, 3, 4, 5, 9), mathematical operators (%, /, +, -), and geometric shapes like squares and circles. The text is arranged in a somewhat chaotic but rhythmic pattern across the band.

Tables Annex

