24TH WORLD ENERGY CONGRESS (WEC24): ENERGY FOR PROSPERITY

8TH ASIAN MINISTERIAL ENERGY ROUNDTABLE (AMER8)

OPEC+ NEWS: 16TH JOINT MINISTERIAL MONITORING COMMITTEE MEETING
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.
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 term 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 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.
Under the high patronage of the UAE President HH Sheikh Khalifa bin Zayed Al Nahyan, OAPEC Secretariat General took part in the 24th edition of the World Energy Congress (WEC24), hosted recently by Abu Dhabi, the United Arab Emirates. WEC24 brought together energy and petroleum ministers, international energy companies’ CEOs, secretaries-general and experts of international and regional organisations concerned with energy and economy under the slogan “Energy for Prosperity”.

OAPEC’s participation by a delegation headed by the Secretary General stemmed from its belief in the importance of boosting the Organisation’s presence at such international platforms in order to present the point of view of its member countries especially on energy security (from both sides: supply and demand). During the sessions which OAPEC Secretary General took part in, the Organisation was keen to stress the Arab countries’ consideration of environmental, climate change, sustainable development, and economic and social development issues in the developing countries. This is due to the Arab countries’ faith in being an active partner in the international community. The Secretariat General’s participation in the WEC24 exhibition focused on informing visitors from around the globe of OAPEC’s goals, activities, as well as, publications as the latest studies were distributed at the event.

The Congress, which is held for the first time in the Arab World and in a member country, aims at discussing current challenges and future prospects of the global energy industry including its various components of fossil fuel (oil, gas, and coal); renewables and nuclear energy resources. WEC24 also discussed the latest in transportation, energy efficiency, funding, investment, consultancy and other energy issues. This has made the Congress an important platform for dialogue between countries from all over the
world on the future of global energy.

The 24th edition comes in light of exceptional developments witnessed by the global energy industry, especially the developments in trade relations between the two largest oil consuming countries: the USA and China, and their direct impacts on the global oil demand. This is in addition to the geopolitical developments in the oil producing and exporting regions, in the Gulf in particular. Other factors include developments in unconventional oil and gas and renewables production and their potential impacts on the world energy demand balance, as well as, environment and climate change issues implications for the future of the energy industry. These developments casted their shadow over the WEC24 sessions which witnessed a momentum of contributions and debate among participants.

In his speech at the closing session, UAE Energy and Industry Minister and WEC24 President HE Eng. Suhail Mohammed Faraj Al Mazroui summed up the most important outcomes of the Congress by saying “The past few days witnessed taking very important steps towards reshaping the future of the energy sector. WEC24 was a big success as public debates between ministers led to excellent results. We all agreed that we are all committed to cutting emissions we produce. We stressed that we should ensure that all of us are able to work together in order to contribute to the progress of the industry.”

Having participated in the WEC24, OAPEC Secretariat General would like to laud the notable success of the UAE, represented in its Energy and Industry Ministry, in hosting and organizing this global event and its success in attracting thousands of participants from around the world. OAPEC would also like to praise the excellent quality of the papers and contributions of the participants at the Congress, which emphasizes that shaping the future of energy is everyone’s responsibility.
HRH PRINCE ABDULAZIZ BIN SALMAN APPOINTED SAUDI MINISTER OF ENERGY

His Majesty King Salman bin Abdul Aziz Al Saud, Custodian of the Two Holy Mosques, issued a royal decree appointing HRH Prince Abdulaziz bin Salman bin Abdulaziz Al Saud as Minister of Energy, in succession of HE Eng. Khalid Al Falih.


The Prince also headed the joint team of the Petroleum and Mineral Resources Ministry and ARAMCO assigned to draw the Kingdom’s petroleum strategy, as well as, the team in charge of updating the strategy. HRH Al Saud played a role in completing the first strategy endorsed by OPEC at OPEC’s Ministerial Meeting in 2005, as he headed the OPEC energy and petroleum under-sectaries committee assigned with drawing up OPEC’s long-term strategy. The strategy was updated by the committee in 2010 specifying 3 goals on maximizing OPEC’s petroleum revenues through fair and stable prices; maintaining and increasing the petroleum stake in the world’s energy demand; supporting the global petroleum market stability and supplies security; global petroleum demand security, as well as, safeguarding OPEC’s interests during international negotiations and agreements. He took part in OPEC conferences and most of its activities since 1987.

On his part, OAPEC Secretary General HE Abbas Al Naqi sent a cable of congratulations to HRH Prince Abdul Aziz Al Saud on the occasion of his appointment wishing him all success in his new post and looking forward to continued support for OAPEC activities.
OBITUARY FOR SHEIKH TALAL AL ATHBI


Born in 1966, he was an example of commitment and hard work. He assumed various posts including: Acting Undersecretary at Kuwait’s Ministry of Oil and its representative in the Executive Bureau of the Organization of Arab Petroleum Exporting Countries (OAPEC); member of the Higher Tenders Committee at KPC; and member of the board of directors of: Kuwait Gulf Oil Company K.S.C.C (KGOC), KNPC, PIC; and the Arab Petroleum Investments Corporation (APICORP).

He also worked as MENA Director in the funding and international loans sector at the Commercial Bank (1996-2003); Director of Tenders and Field Inspection at the Oil Ministry (2003-2006); and Assistant Undersecretary at the Oil Ministry for Administrative and Financial Affairs.

The late Sheikh Talal represented Kuwait Oil Ministry at the biannual meetings on contracts, tenders, and budget for the Al Wafra/Al Khafji joint operations area; and he was a member of the Joint Kuwaiti-Iraqi Technical Committee on the joint fields. One of his last activities was signing an agreement with the Iraqi side to choose an international consultant to specify the work mechanisms in the joint fields between the two sides.

OAPEC extends its heartfelt condolences to the late Sheikh Talal’s family for this great loss.

May his soul rest in peace.
Under the high patronage of the UAE President HH Sheikh Khalifa bin Zayed Al Nahyan, the 24th edition of the World Energy Congress (WEC24) under the slogan “Energy for Prosperity” was held on 9-12 September 2019 at Abu Dhabi National Exhibition Centre in Abu Dhabi, the United Arab Emirates, for the first time in the Middle East.
The opening was attended by a large number of sheikhs and VIPs from the UAE, a group of OAPEC energy and petroleum ministers, IEF Secretary General HE Dr Sun Xiansheng, and Ambassadors to the UAE, as well as, international energy companies’ CEOs and economists, and over 300 exhibitors.

HH Sheikh Hazza bin Zayed Al Nahyan, Deputy Head of Abu Dhabi Executive Council, opened the WEC24 by welcoming the audience and saying “Some elite brains and expertise from around the globe gather here to discuss the developments of this vital sector. They will discuss challenges and creative solutions, and explore opportunities which would reflect positively on the communities in their endeavour for sustainable development and enlightened vision for the future of energy.”

On his part, UAE Energy and Industry Minister and WEC24 President HE Eng. Suhail Mohammed Faraj Al Mazroui said that holding WEC24 in the UAE emphasizes its commitment to fulfil its role in finding radical solutions based on dialogue with all countries on the challenges facing energy. He explained “this is in addition to exploring other countries’ experiences in connecting renewable projects to other types of energy projects and reducing reliance on other fuel resources in the next decades, as well as, utilising large data and artificial intelligence techniques in the oil and gas sector to cut costs, improve efficiency, and maximise revenues.”
HE Dr Sultan Ahmed Al Jaber, UAE’s Minister of State and ADNOC CEO, emphasised the UAE’s deep commitment to diversify energy resources and the UAE’s role as a reliable energy supplier to global markets. He introduced the main trends that affect the increase of energy demand, saying demand will grow notably in the next 2 decades which calls for a comprehensive response of a more diversified mix that includes the various energy resources. He added that ADNOC
plans to increase production to 4 million b/d.

OAPEC Secretary General HE Abbas Al Naqi took part as a keynote speaker in the WEC’s 14th session on 11 September 2019 on “Boosting Climate Measures” along with a group of international experts on environment and climate change. The session was administered by Prof. David Victor, Rector, California University (San Diego). The session highlighted international efforts to combat climate change from the perspective of the oil exporting countries, developing countries, and developed countries as well.

Al Naqi pointed out to article 6 of the Paris Agreement on carbon trade and its significance to the petroleum industry. He also tackled the recent IPCC 2019 report on the 1.5°C-2°C and the importance of fossil fuel in the next era. He said climate change’s prime reason is the climate cycle not human activities.

OAPEC was represented at the event by a delegation headed by the Secretary General HE Abbas Al Naqi, along with the Director of the Information and Library Department Mr Abdul Kareem Ayed, and Editor in charge of the OAPEC Monthly Bulletin Mr Nasser Bakheet as members. The Secretariat General’s participation in the WEC24 exhibition focused on informing visitors from around the globe of OAPEC’s goals, activities, as well as, publications as the latest studies were distributed at the event. OAPEC’s booth at the 4-day exhibition attracted 250 Arab and non-Arab visitors in total.
Abu Dhabi, the United Arab Emirates, hosted the 8th Asian Ministerial Energy Roundtable (AMER8) on 10 September 2019, on the margins of the 24th World Energy Congress held from 9 to 12 September 2019 in Abu Dhabi. AMER8 was held under the slogan “Energy Security in the Age of Change with a view to Empower Responsible Growth in Asia and the World”.

18 energy and petroleum ministers from Asia, 10 heads of key international organisations including the IEF, OPEC, and IEA, with India as co-host, took part in the meetings. OAPEC was represented at the event by an official delegation headed by the Secretary General HE Abbas Al Naqi.

The meetings attracted huge attention due to the significance of the Asian countries in terms of global economy. Asian countries have large oil and gas reserves and they also top the world in terms of energy demand. Asia also has densely-populated countries like China and India which are the fastest growing in terms of energy demand. Many Asian countries show positive indicators in terms of continued future economic growth.

AMER8 was structured in two plenary sessions that focused ministerial dialogue on:

The role of new technologies for a more competitive and productive world energy mix.

Advancing inclusive access to secure, affordable, and sustainable energy services.

AMER convenes every two years. It was hosted by India (2005); KSA (2007); Japan (2009); Kuwait (2011); Korea (2013); Qatar (2015); and Thailand (2017).

AMER8 was characterized by active presence of OAPEC energy and oil ministers
from Asia including: Kuwait; UAE; Bahrain; Iraq; in addition to official delegations from the other member countries.

The ministers were highly transparent in clarifying their countries’ stances towards a variety of energy issues, especially energy security (security of demand and supply).

They welcomed all international efforts on expanding the use of more energy resources whether fossil (oil and gas) or renewables (solar and wind) to meet global energy demand while stressing this should not reflect negatively on the oil and gas industry; the main source of economy in the member countries. OAPEC members work hard to inject huge investments in all stages of the petroleum industry in order to contribute to meeting the global energy demand.

The participating ministers emphasized the importance of striking a balance between economic and social development that takes into consideration man prosperity in cities of fast-growing population, as well as villages and rural areas from one side and preserving environment and climate on the other side.

OAPEC ministers showed a sincere will to boost cooperation with the Asian countries as key partners in securing the future of energy in Asia. Bilateral meetings with their Asian counterparts had great impact in assuring the continuation of joint projects between the two sides that have been delayed due to global economic circumstances.

The meeting issued a number of recommendations on boosting cooperating between Asian countries to provide secure and stable energy supplies that contribute to Asia’s economic growth; and developing new and clean energy resources through modern technology. The recommendations also mentioned the growing importance and potentials of natural gas to be used in power generation plants as there is still much to do in spite of the good progress that has been already made.

The recommendations also referred to a growing gap between some Asian countries that made real progress in the energy sector due to the success of their energy policies and other Asian countries that still suffer from energy poverty. AMER8 called for bridging this gap.

The recommendations also clarified that oil and gas consuming countries in Asia share the responsibility with other countries around the world to work on achieving more stability in the global energy market and underscored that dialogue between the producing and consuming countries helps prevent any negative developments in the energy market.
The energy sector has always been at the forefront of adopting technological innovations. New technologies are being brought on-line far faster than anticipated. In oil and gas sector, the efficiency of extracting these sources continues to improve and more advanced technologies are now used in exploration and production activities. Continuing technology advances and rapid deployment of many renewable technologies have thoroughly demonstrated their potential.

By looking at our current global energy mix we can notice that it is based mainly on hydrocarbons or fossil fuels (oil, gas and coal), accounting for over 80% of world total primary energy supply. The rest is covered mainly by renewables and nuclear energy.

Over the years, energy supply has grown in volume but different fuels have changed at varying degrees. Additionally, new sources of energy, including modern renewables, have been exploited leading to rapidly evolving and more diversified energy mix.

However, despite the notable growth of many renewable energy technologies, the overall share of renewable energy in the global energy mix has only moderately increased since 1990.

Fossil fuels will continue to account for major share of world energy mix for decades to come, 75% of world primary energy demand in 2040. Among fossil fuels, gas is the fastest growing fuel and its share in energy mix is rapidly increasing. Oil continues to be
the single dominant fuel, though its share falls. Renewable energy (Excluding biomass), is expected to gain share rapidly, increasing its significance in the overall energy mix to account for 9% of world primary energy demand in 2040 comparing to a share of 4.7% in 2020.

Generally, the main motivations for the expansion of renewable energy are numerous and vary from country to country. Among the factors that set the foundation for the recent rapid growth in renewables are the following:
- Acceleration of government policies aimed at encouraging a shift to renewables.
- Significant rise in investment in renewables.
- Declining costs of renewable technologies, in particular solar PV and onshore wind.

Despite difficulties confronted by regional economies and energy sectors, the Arab world is taking bold steps to advance renewables and play a substantial role in the global energy shift. Since 2014, a striking scale-up of renewable installed capacity has been observed in many OAPEC members and other Arab countries. Today, almost all countries in the Arab region have set renewable energy targets for future deployment.

The main drivers behind the marked expansion of the Arab region’s renewable energy market include:
- The need to diversify energy resources to enhance energy security.
- High energy and electricity demand growth.
- Excellent solar and wind potential across the region, as well as hydro in certain locations.
- Increasing use of desalination plants driven by renewable energy.
- Arab countries’ energy policymakers have become more aware of the renewable energy potential.

Renewables are steadily becoming a greater part of the global energy mix in particular in the power sector and in the countries that have put in place measures to promote their development. The role of renewables differs across regions and countries. It depends on country’s energy demand, its own fossil fuel resources and its ability to import such fuels. It also depends on climate, geography and the availability of RE.

Government support policies for renewable energy are becoming widespread worldwide. Renewables can only complement rather than supplant the hydrocarbon fuels which will remain OAPEC’s main source of energy for decades to come.

There is no doubt that no single energy resource can meet the growing global energy demand. Mixing all exploitable energy sources is a feasible way of attaining stability in energy. The expected increase in energy demand by 2040 cannot be met with today’s renewable technologies alone and that fossil fuels will continue to play a substantial role in the energy mix.

Finally, the future energy mix is paving the road toward lower-carbon energy. When COP21 endorsed the Paris Agreement with the consensus of 195 countries, oil-exporting countries, including OAPEC member countries, adopted a transparent and objective approach. They announced very clearly that they share in international efforts aimed at tackling climate change according to international agreements signed in this regard. They also reiterated their commitment to improving energy efficiency, shifting from liquid fuel to gas, encouraging clean energy research, expanding the use of carbon capture and storage (CCS) techniques, as well as promoting public trends on the use of renewable energy, such as solar, thermal and wind as complementary energies to fossil fuels.

By HIS EXCELENCY ABBAS ALI AL- NAQI
SECRETARY GENERAL, OAPEC
Under the patronage of HRH Prince Abdul Aziz bin Saud bin Nayef, Saudi Minister of Interior and Chairman of the High Commission for Industrial Security, the Saudi International Oil Fire Safety Conference was held on 16-18 September 2019 at the Ritz-Carlton hotel in Riyadh, KSA.

Assistant Interior Minister for Riyadh Operations Affairs and Secretary General of the High Commission for Industrial Security Brigadier General Mohammed Al Haydan, and a number of VIPs including the IEF Secretary General HE Dr Sun Xiansheng, OAPEC Secretary General HE Abbas Al Naqi, and a large group of local and international experts in energy and mining attended the opening.

Brigadier General Mohammed Al Haydan opened the conference welcoming the audience and indicating that the conference and its exhibition will showcase the role of public facilities in boosting the capacity of the oil sector in KSA and MENA to take safety and prevention measures against fires. The event was part of the Kingdom’s commitment to secure the oil and gas sector in accordance with its ambitious Vision 2030.

The conference sessions were divided into three themes over 3 days, namely: “Fire Disasters in the Oil, Gas, Petrochemical and Chemical Industries: Facts, Figures and Solutions,” “Best Practices and Innovations in the Field of Oil and Gas Fire Prevention,” and “Promoting a Fire Safety Culture in the Oil, Gas and Petrochemical Industry from the Perspective of the International Community.” The event came up with a series of recommendations to emphasize the urgent need to create a safe working environment in the fields of oil and gas through implementing fire prevention plans.

OAPEC was represented at the conference by the Secretary General HE Abbas Al Naqi and the Information and Library Department Director Mr Abdul Kareem Ayed.
DEVELOPMENTS OF PRIMARY ENERGY CONSUMPTION IN THE UAE AND ITS FUTURE PROSPECTS

The General Secretariat has recently published a consolidated study on the developments of energy consumption in OAPEC members and its future prospects and another study on the developments of primary energy consumption in the state of Kuwait and its future prospects.

The General Secretariat is pleased to dedicate the second study of this series to the United Arab Emirates, entitled “The Developments of Primary Energy Consumption in the UAE and its Future Prospects.

Part one of the study aims to analyze the current trends and patterns of primary energy consumption in the UAE during the period 1995-2019 and highlights the main factors affecting that consumption. It also illustrates the evolution of the energy mix and the intensity of energy consumption in UAE.

Part two deals with the future energy consumption in the UAE until 2040. The consumption function of the primary sources of energy has been estimated on a systematic basis in accordance with the energy conditions in UAE and with the quality of the available data. Four scenarios have been adopted to predict future prospects for the consumption of primary energy sources in UAE. The first one is the reference scenario, the second one is the high growth scenario, the third one is the low growth scenario, and the last scenario takes into account the increasing use of renewable and nuclear energy in UAE.

One of the main findings of the study is that moving ahead with the option of exploiting the available renewable energy resources in UAE will inevitably lead to achieving the national objectives of securing and diversifying the energy sources and releasing big quantities of Oil and gas for export, and will lead to radical changes in the future prospects of the energy mix.
EIGHTH COORDINATING MEETING FOR OAPEC DATABANK LIAISON OFFICERS

OAPEC Secretariat General held its Eighth Coordinating Meeting for OAPEC Databank Liaison Officers on 18 and 19 September 2019 at the organization’s headquarters in Kuwait. The meeting was attended by seven liaison officers from the UAE, Bahrain, Algeria, Kuwait, and Egypt.

Mr Abdul Fattah Dandi, Director of the Economic Affairs Department at OAPEC, welcomed the participants on behalf of the Secretary General HE Abbas Al Naqi highlighting the importance of the meeting and wishing it will achieve the aspired goals. He also referred to the results that have been achieved through executing the recommendations of previous meetings. Moreover, he gave an overview of the measures taken by the Secretariat General to develop the databank.

The meeting mainly aimed at: following up and reviewing earlier recommendations issued by previous coordinating meetings; evaluating OAPEC member countries data flow mechanism; better communication between the officers; discussing the new energy data collection form and the system’s technical gaps and statistical shortages; as well as, listening to remarks and future visualizations on developing the system’s application to meet the member countries’ needs of energy and oil-related data.

The meeting made a number of recommendations including continuing to provide the Secretariat General with oil, natural gas, and other energy resources data and statistics while working on overcoming any obstacles preventing smooth access to these statistics.

The Secretariat General has been represented by Mr Fuad Ali Abdul Rahaman, Senior Economist, and Mr Mohammed Jihad, Systems Programmer.
HE ENG. MAHMOUD HASHIM APPOINTED IRAQ’S REP AT OAPEC EXECUTIVE BUREAU

OAPEC Secretariat General received a letter from Iraq’s Deputy PM for Energy Affairs and Oil Minister, HE Thamer Al Ghadban, appointing HE Eng. Mahmoud Hashim, as the country’s Representative at OAPEC Executive Bureau, in succession of HE Safaa Ahmed, as of 9 September 2019.

HE Abbas Ali Al Naqi, OAPEC Secretary General, sent a cable of congratulations to HE Hashim on his appointment wishing him success in his new post. He Al Naqi also sent a thanking cable to HE Safaa Ahmed in appreciation to his efforts during his tenure and wishing him success for his future plans.
The 16th Meeting of the Joint Ministerial Monitoring Committee (JMMC) took place on 12 September 2019, in Abu Dhabi, the United Arab Emirates, coinciding with the WEC24. The conveners agreed to maintain current oil output cuts until December and underscored the critical need for continued commitment to the ‘Declaration of Cooperation’ (OPEC+) with major producers like Russia in support of oil market stability on a sustainable basis.
All participating countries present, particularly those who are yet to reach full conformity with their adjustments, were unequivocal in providing steadfast assurances of their determination to achieve at least 100% conformity for the remainder of the year. Those countries who have over-conformed also reiterated their voluntary contribution. Resultantly, overall conformity will be brought to record levels. KSA pledged to boost its voluntary output cut to reach 9.890 million b/d in October. Iraq also pledged to reduce output by 175 thousand b/d by October. Nigeria on its part promised further cuts to reach 57 thousand b/d.

Saudi Energy Minister HRH Prince Abdulaziz bin Salman, who co-chaired the meeting with his Russian counterpart HE Alexander Novak, said that KSA remained committed to stabilizing the market through a package of cuts beyond its pledge. He explained his country would maintain the voluntary cuts until the end of 2019 to be reviewed in the next JMMC meeting in December. He added “We will continue to monitor the market and take every measure to maintain the continuation and sustainability of oil supplies. KSA has been over-conforming to its output cut pledge; we emphasize that KSA’s oil production will be 9.890 million b/d in October.” He added “What we saw today of genuine commitment gives us confidence to continue supporting the stability of the global oil market,” while stressing full readiness to tackle any developments.

On his part, HE Eng. Suhail Mohamed Al Mazrouei, Minister of Energy and Industry of the UAE, reiterated his country’s commitment to the DoC adding “We will maintain output levels that balance the market. We reiterate our full commitment to supporting all measures that contribute to the stability and balance of the global oil market.”

The Minister explained that OPEC+ meeting in Abu Dhabi was characterized by positivity and wide consensus from all countries to commit to the full conformity to the agreed reduction levels which would result in a correction of oil stocks and boosting balance between supply and demand. He expected the UAE’s production to decline in September 2019 compared to August 2019.

Russian Energy Minister HE Alexander Novak said his country will continue working with all OPEC and non-OPEC members to adapt to the global market developments and take best measures to overcome any emergencies or future challenges.
Petroleum Developments in the World Market and Member Countries*

First: World Oil Markets

1. Oil Prices

In July 2019, OPEC Reference Basket increased by 2.9% or $1.8/bbl from the previous month level to stand at $64.7/bbl. Tightening oil supply, coinciding with extends production cut agreement for (OPEC+) until March 2020, higher Asian crude demand, specifically from China and Recovering refining margins, were major stimulus for the increase in oil prices during the month of July 2019.

2. Supply and Demand

World oil demand in July 2019, decreased by 0.2 million b/d or 0.2% from the previous month level to reach 101.3 million b/d. Demand in OECD countries increased by 1.7% comparing with the previous month to reach 48.6 million b/d. Whereas demand in Non-OECD countries decreased by 1.7% comparing with their previous month level to reach 52.8 million b/d.

* Prepared by the Economics Department.
World oil supplies in July 2019, increased by 0.8 million b/d or 0.8% comparing with the previous month to reach 100.9 million b/d. OPEC crude oil and NGLs/condensates total supplies decreased by 0.3% comparing with the previous month to reach 34.8 million b/d. Whereas preliminary estimates show that Non-OPEC supplies increased by 1.5% comparing with the previous month to reach 66.1 million b/d.

**World Oil Supply and Demand (million b/d)**

![Graph showing world oil supply and demand](image)


US tight oil production in July 2019, increased by 1.1% to reach about 8.6 million b/d, whereas US oil rig count decreased for the eighth month in a row, by 14 rig from the previous month level to stand at 847 rig.

**US tight oil production and oil rig count**

![Graph showing US tight oil production and rig count](image)

3. Oil Inventories

OECD commercial inventories in July 2019 decreased by 9 million barrels from the previous month level to reach 2952 million barrels, and Strategic inventories in OECD-34, South Africa and China decreased by 4 million barrels from the previous month level to reach 1820 million barrels.

4. Oil Trade

US Oil Imports

US crude oil imports in June 2019, decreased by 0.1% from the previous month level to reach 7.3 million b/d, and US product imports decreased by 16.7% to reach about 2.1 million b/d.

Second: Natural Gas Market

1. Prices

- The average spot price of natural gas at the Henry Hub decreased in July 2019 to reach $2.37/million BTU.
- The Price of Japanese LNG imports in June 2019 decreased by $0.11/m BTU to reach $9.38/m BTU, the Price of Korean LNG decreased by $0.24/m BTU to reach 9.03/m BTU, whereas the Price of Chinese LNG imports increased by $0.02/m BTU to reach $8.53/m BTU.

2. Exports

Arab LNG exports to Japan, Korea and China were about 2.701 million tons in June 2019 (a share of 20.8% of total imports).