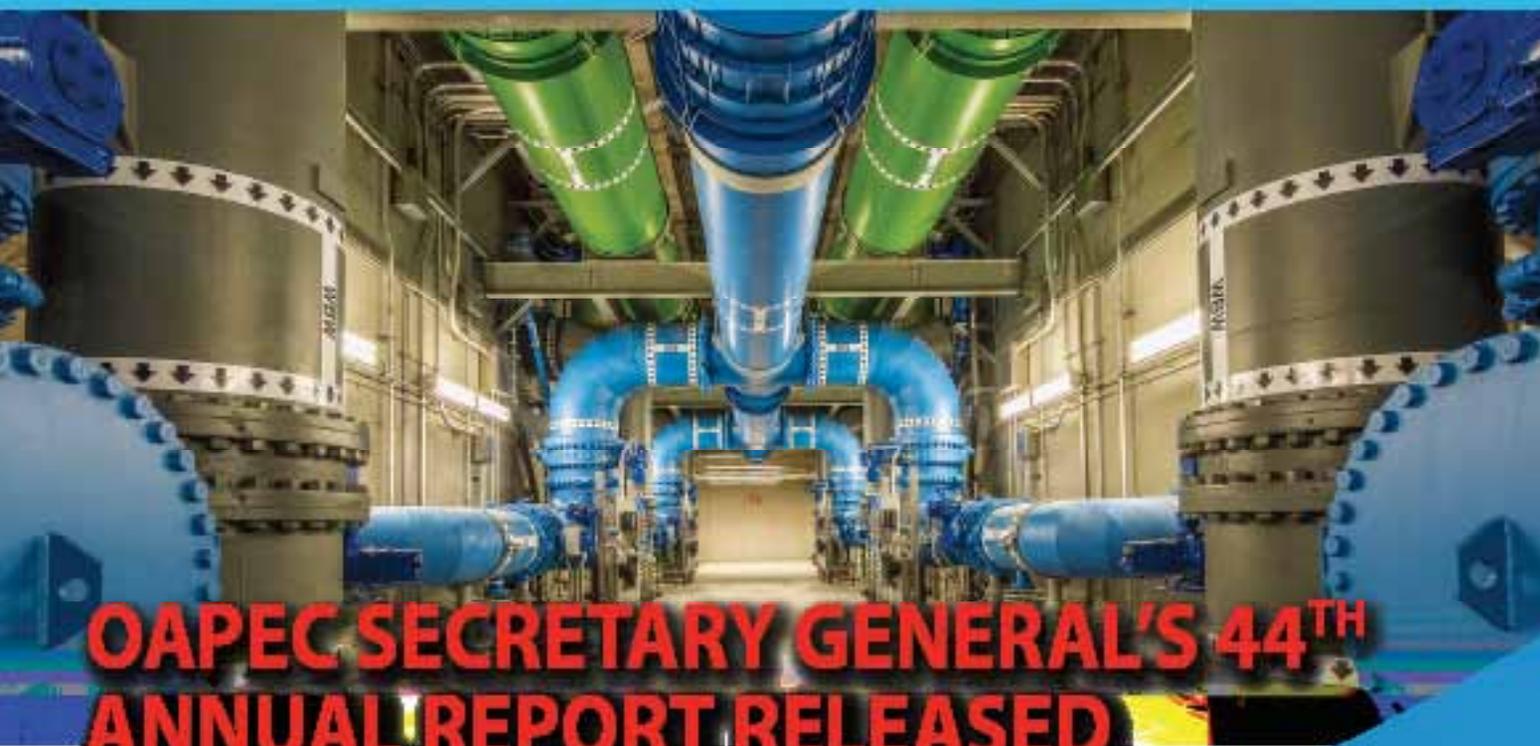


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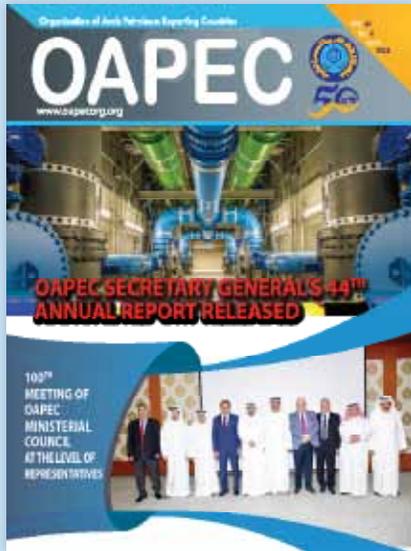
OAPEC SECRETARY GENERAL'S 44TH ANNUAL REPORT RELEASED

100TH
MEETING OF
OAPEC
MINISTERIAL
COUNCIL
AT THE LEVEL OF
REPRESENTATIVES





The Cover



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ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC)



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.



6

**AL RASHIDI:
KUWAIT PLANS TO INVEST \$112 BILLION
IN OIL PROJECTS**



7

BAHRAIN ANNOUNCES GIANT OIL FIND



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THE 100TH MEETING OF OAPEC MINISTERIAL COUNCIL AT THE LEVEL OF REPRESENTATIVES

• **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.



THE SECRETARY GENERAL'S 44TH ANNUAL REPORT

OAPEC: 5 DECADES OF JOINT ARAB ACTION

OAPEC Secretariat General has recently launched the Secretary General's 44th Annual Report for the Year 2017. The purpose behind the report is to shed the light on the member countries' sincere efforts on developing their petroleum industries through executing ambitious petroleum projects to upgrade their production capacity and their downstream industries. The report also highlights their efforts on ensuring the oil market's stability and rebalance in collaboration with the world's petroleum producing and exporting countries.

OAPEC Secretary General HE Abbas Al Naqi said in the report's foreword that the release of the report coincides with OAPEC's Golden Jubilee. The important historic occasion has been marked by a celebration attended by their excellencies members of the Ministerial Council and Executive Bureau, as well as, a group of senior officials in the petroleum and energy sector in the member countries.

HE Al Naqi hailed the Arab economic achievements and initiatives throughout the past 5 decades, on top of which: the establishment of OAPEC joint ventures; sponsoring and organizing seminars and conferences including the Arab Energy Conference; conducting a wide variety of technical and economic studies; as well as, its active presence at international forums on energy, oil, natural gas, environment, climate change, and sustainable development. He said he was confident that OAPEC would continue delivering its mission in promoting cooperation among its member countries in the various economic aspects of the petroleum industry due to these countries' strong and continuous support.

The report indicates that the most distinctive feature of 2017 for OAPEC member countries has been the continuation of some member countries in implementing their ambitious policies and economic programs in order to face the difficult economic challenges that most of the world is going through due to declining oil prices since 2014. The year 2017 has also been marked by the continuation of the members' and the Secretariat General's active efforts at international forums on oil, natural gas, environment, sustainable development, and the UNFCCC in order to clarify the stance of Arab countries in the various energy-related issues.

The report states that the global oil market has witnessed relative stability in the first half of 2017 coinciding with the start of the oil production reduction deal agreed by OPEC and non-OPEC members in the end of 2016. It is also a reflection of the continued recovery of the global economy performance, albeit relatively slight. In the second half of 2017, global oil markets started a movement towards rebalancing in a noticeable way, as a result of the decision on extending the oil output reduction deal, with great improvement in terms of commitment; in addition to the noticeable rise in the global oil demand. This has reflected positively on the oil trade movement and the global economic performance rates.

The report shows that the total oil reserves in OAPEC member countries in 2017 were 706.84 billion barrels, representing 48.8% of the total global proven oil reserve estimates. Whereas, natural gas reserve estimates in OAPEC members for the same period have reached about 53 trillion cubic metres, representing about 27% of the world's total. Energy consumption in OAPEC members in 2017 reached about 13 million BOE/D.

The report also reviews the Organisation's departments business and activities, as well as, its Ministerial Council and Executive Bureau's decisions and recommendations. This is in addition to the Secretariat General's participation in Arab and international energy meetings, as well as, organising events and coordination meetings for: its joint ventures; environment and climate change; research centres and Arab petroleum research; natural gas investment; databank; petroleum media; etc.

Moreover, the report draws the attention to the Secretariat General's conducting and preparation of 7 studies and 5 research papers in 2017 that tackled various issues in connection to the petroleum industry whether technical or economic, and their implications for the member countries. The organisation has also continued its efforts in developing the databank, the press and library activities, its electronic website and social media channels.

The report also presents OAPEC joint ventures' financial and administrative results and activities, their executed projects, and the most prominent challenges they are facing in the petroleum market.

Upon issuing the Secretary General's 44th Annual Report, OAPEC hopes it could contribute to informing the reader of the current developments in the Arab and global energy and petroleum industry, and to presenting credible information and data, which they might need in this vital field.



AL RASHIDI: KUWAIT PLANS TO INVEST \$112 BILLION IN OIL PROJECTS

Kuwait’s Minister of Oil, Electricity, and Water HE Bakheet Al Rashidi said Kuwait is planning to raise non-associated natural gas output to about 500 million cf./d by the end of 2018. He clarified that the refining and petrochemicals sector consumes about 60% of the natural gas output in the State of Kuwait, while the power generation sector uses the remaining 40%.



In a speech at the recent 5th Kuwait Oil & Gas Summit and Exhibition, HE Al Rashidi said that 2017 was a landmark year in the history of global oil markets when OPEC approved cutting production as of January 2017 (during its 171st meeting in Vienna on 30 November 2016). This was followed by a decision by 11 non-OPEC countries to voluntarily amend their output levels on 10 December 2016.

He clarified that the output cut deal, along with a growing demand for oil, helped achieving the current comprehensive rebalance of the oil market. He pointed out to the importance of these developments in realising oil market stability and global economic recovery.

HE Al Rashidi added that national oil companies have become a key player in developing the oil industry while also being the main exporter of oil and gas. He drew the attention to forecasts which indicated that the world’s energy needs would be expanding in the future and that fossil fuel would remain the main

source for energy, hence, national oil companies would determine the future of global oil and gas supplies.

The Minister reviewed Kuwait Petroleum Corporation’s (KPC) strategic plans for the year 2040, as the Corporation plans to spend about KD34 billion (about \$112.2 billion) in the next five years, including 70% on expanding exploration and production activities in and outside Kuwait. He stressed his country’s full commitment to contribute to securing supplies for international markets through continuing to invest in boosting its capabilities.





BAHRAIN ANNOUNCES GIANT OIL FIND

Bahraini Oil Minister HE Sheikh Mohammed bin Khalifa Al Khalifa announced that Bahrain's newly discovered light oil and associated gas reserves are estimated to contain more than 80 billion barrels, the largest in Bahrain's history. He also indicated that geological surveys have led to another discovery including large volumes of natural gas estimated to be between 10 trillion and 20 trillion cubic feet. He clarified that the new shale oil discovery in the Khaleej Al Bahrain Basin, located off the west coast of the Kingdom, covers 2,000 square kilometres.

The minister added that the NOGA crew is currently sparing no effort to make the field ready for production in 5 years. At the same time, a feasibility study will be conducted.

HE Al Khalifa said that in the framework of natural gas exploration efforts under the high directives of HRH the Prime Minister/ Chief of the Higher Committee for Natural Resources and Economic Security, Bahrain Petroleum Company (Bapco)- along

with international companies- have improved the geological surveys through using the best available technologies, as well as, drilling appraisal wells that led to these discoveries.

He stressed that NOGA will continue oil and gas exploration relying on national companies whilst utilising international oil companies' expertise. HE Al Khalifa said this is an investment opportunity for international oil companies and investment funds to contribute to the development and production of this vital and important resource.





ARAMCO DEVELOPS GIANT REFINERY IN INDIA



Saudi Aramco signed on 11 April 2018 a Memorandum of Understanding (MOU) with “Ratnagiri Refinery and Petrochemicals Ltd.” (RRPCL), a consortium of Indian oil companies which includes The Indian Oil Corporation Ltd. (IOCI), Bharat Petroleum Corporation Ltd. (BPCL), and Hindustan Petroleum Corporation Ltd. (HPCL), to jointly develop and build an integrated mega refinery and petrochemicals complex at Ratnagiri, in the state of Maharashtra. Saudi Aramco may also seek to include a strategic partner to co-invest in the mega refinery.

The refinery will be capable of processing 1.2 million barrels of crude oil per day. It will produce a range of refined petroleum products, including gasoline and diesel, meeting BS-VI fuel

efficiency norms. The refinery will also provide feedstock for the integrated petrochemical complex, which will be capable of producing approximately 18 million tons per annum of petrochemical production.

In addition to the refinery, cracker and downstream petrochemical facilities, the project will include associated facilities such as a logistics, crude oil and product storage terminals, raw water supply, as well as centralized and shared utilities.

Ratnagiri Refinery and Petrochemicals Ltd. (RRPCL) will rank among the largest world refining and petrochemicals projects and will be designed to meet India’s fast-growing fuels and petrochemicals demand. The project cost is estimated at around \$44 billion.

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THE 100TH MEETING OF OAPEC MINISTERIAL COUNCIL AT THE LEVEL OF REPRESENTATIVES

OAPEC Ministerial Council convened its 100th meeting on 30 April 2018, in the State of Kuwait. It was chaired by HE Dr Matar Al Niyadi, Undersecretary at the Energy and Industry Ministry/ UAE’s Representative at the Executive Bureau. UAE is president of the current round 2018.

His Excellency the Chairman opened the meeting welcoming Their Excellencies the Representatives of the member countries and OAPEC Secretary General.

HE Dr Al Niyadi thanked OAPEC Secretariat General for their sincere efforts in preparing for the meeting to ensure its swift progress. Also, he extended thanks and gratitude to the State of Kuwait for hosting the meeting.

HE Abbas Ali Al Naqi, OAPEC Secretary General, followed with a speech welcoming their Excellencies the attendees and expressing profound thanks and appreciation to the Kuwait’s Oil, Electricity, and Water Minister HE Bakheet Al Rashidi and his Ministry’s officials for facilitating the meeting and for the hospitality they were received with.

The Council then discussed the points on the meeting agenda as follows:

- OAPEC final financial statements for 2017 (Secretariat General and Judicial Tribunal) were approved.
- Reviewing the Secretariat General’s report on the “Global Petroleum Conditions.”



HE ABBAS ALI AL NAQI,
OAPEC SECRETARY GENERAL

The council has been informed by a report on the preparations for the 11th Arab Energy Conference to be held in Marrakesh, Morocco, from 1 to 4 October 2018.

The Council reviewed the reports on the Secretariat General’s activities for Q1 of 2018 and endorsed the Executive Bureau’s recommendations on: following up on environment and climate change issues; the activities which the Secretariat General organized or took part in; as well as, the databank work



H.E. MOHAMMED RAS EL KAFF
ALGERIA



H.E. FYHAN M. AL FIHANY
BAHRAIN



H.E. GEOLOGIST ASHRAF MAHMOUD MOHAMMAD FARAJ
EGYPT



H.E. SAFA'A ABDUL RAHMAN AHMED
IRAQ



H.E. SHEIKH TALAL NASER AL SABAH
KUWAIT



H.E. SHEIKH MISHALL BIN JABOR AL THANI
QATAR



H.E. ENG. NASSER BIN IBRAHIM AL FAWZAN
KSA



H.E. ENG. ABDULLAH AL KHATTAB
SYRIA



H.E. DR. MATTAR AL NEYADI
UAE

progress and the meetings with the Arab League.

Finalized economic and technical studies prepared by the Secretariat General in Q1 of 2018.

The Council congratulated the Secretariat General for winning the "The Most Outstanding LNG Advocate" award at the 3rd Annual International LNG Summit, held in Hamburg, Germany, on 25 and 26 April 2018.

It was previously agreed by Their Excellencies the Ministers during their 99th Ministerial Meeting

in Kuwait on 10 December 2017 to hold the 101st Meeting in Kuwait on 23 December 2018.

The council concluded by thanking Kuwait for hosting the meeting, while expressing sincere gratitude to the Oil Minister HE Bakheet Al Rashid; the Ministry's Acting Undersecretary/ Kuwait's Representative at OAPEC Executive Bureau HE Sheikh Talal Al Athbi; and all Ministry staff for the warm welcome, good organisation, and hospitality.

THE 150TH MEETING OF OAPEC EXECUTIVE BUREAU

OAPEC Executive Bureau held its 150th Meeting on 28 and 29 April 2018. It was chaired by HE Dr Matar Al Niyadi, Undersecretary at the Energy and Industry Ministry/ UAE's Representative at the Executive Bureau. UAE is president of the current round 2018. The meeting was allocated for preparing for OAPEC Ministerial Meeting at the level of Representative.



OAPEC-LAS COOPERATION ASPECTS EXPLORED

League of Arab States (LAS) Secretary General HE Dr Ahmed Abul-Ghait received on 17 April 2018 at his office OAPEC Secretary General HE Abbas Al Naqi. The meeting reviewed aspects of cooperation between OAPEC and LAS.



During the meeting, HE Abul-Ghait has been informed of the latest preparations for the 11th Arab Energy Conference (AEC11) to be held in Marrakesh, Morocco, from 1 to 4 October 2018. AEC11 is organized under the patronage of OAPEC, the Arab Fund for Economic and Social Development, LAS, and the Arab Industrial Development and Mining Organisation (AIDMO).

LAS Secretary General confirmed taking part in the AEC11 and delivering a speech at the opening session on behalf of the patron-organisations. The meeting also tackled boosting

the existing cooperation between OAPEC and LAS on issues of mutual interest, especially those related to energy, environment, and climate change.

OAPEC delegation attending the meeting also included Mr. Abdul Fattah Dandy, Director of the Economic Affairs Department; Mr. Abdul Kareem Ayed, Director of the Information and Library Department/ Acting Director of the Administrative Affairs Department; and Mr. Mohyelldeen Al Attar, from OAPEC Office in Cairo.

WORKSHOP ON THE

“PRIMARY DOCUMENT OF THE EXECUTIVE PLAN FOR THE ARAB STRATEGY ON SCIENTIFIC RESEARCH, TECHNOLOGY, AND CREATIVITY”

Upon a kind invitation by the League of Arab States (LAS) Secretary General HE Dr Ahmed Abul Ghait, OAPEC Secretariat General took part in the workshop on the “Primary Document of the Executive Plan for the Arab Strategy on Scientific Research, Technology, and Creativity” held in Cairo, Egypt, from 16 to 18 April 2018.

The workshop was attended by LAS Secretariat General; The Arab League Education, Culture and Science Organization (ALECSO); Federation of Arab Scientific Research Councils; the Arab Parliament, in addition to other Arab joint action organisations operating under the umbrella of LAS, and other specialized Arab unions, networks, and centres.

The workshop aimed mainly to study and

develop the Primary Document of the Executive Plan for the Arab Strategy on Scientific Research, Technology, and Creativity, to pave the way for its endorsement by the relevant authorities to be executed later according to approved mechanisms. It also aimed at showcasing a group of executive projects that enjoy priority in any of the research, development, and creativity aspects included in the strategy.

OAPEC was represented at the meeting by Mr. Abdul Fattah Dandy, Director of the Economic Affairs Department and Mr. Abdul Kareem Ayed, Director of the Information and Library Department/ Acting Director of the Administrative Affairs Department.



IEF16 MINISTERIAL MEETING ACHIEVING GLOBAL ENERGY SECURITY & KNOWLEDGE GENERATION THROUGH DIALOGUE

Upon a kind invitation by India's Minister of Petroleum and Natural Gas HE Dharmendra Pradhan and IEF Secretary General HE Dr Sun Xiansheng, OAPEC Secretary General HE Abbas Al Naqi took part in the 16th biennial International Energy Forum Ministerial Meeting (IEF16) hosted by India, on 10-12 April 2018 with the support of the People's Republic of China and the Republic of Korea as co-hosts. The meeting was held under the theme: "The Future of Global Energy Security - Transition, Technology, Trade and Investment".

The meeting was attended by a group of energy, oil, and gas ministers in the IEF member countries, including OAPEC ministers, as well as, heads of international organisations specialised in energy.

The IEF16 discussed latest developments and how global shifts, transition policies and new technologies influence market stability and future investment and trade patterns in the energy sector. Dialogue among Ministers and industry leaders on how global shifts, new policies and technologies change investment and trade patterns and influence energy market security, facilitate orderly transitions, and accelerate the achievement of shared goals. Views were



also exchanged on global energy security, in addition to future economic, population, and environmental challenges.

On behalf of the IEF16 host country, Shri Narendra Modi, Prime Minister of India inaugurated the IEF16 Ministerial Meeting. Prime Minister Modi shared his energy vision as comprising four pillars – energy access, energy efficiency, energy sustainability and energy security. He called for a mutually supportive relationship between producers and consumers. He also called for optimal use of the neutral platform of the IEF to build a global consensus on 'responsible pricing', that serves the mutual interests of both producers and consumers.



10TH REGIONAL TRAINING WORKSHOP ON CAPACITY DEVELOPMENT FOR CLIMATE CHANGE NEGOTIATIONS FOR THE ARAB COUNTRIES



OAPEC Secretariat General hosted the 10th Regional Training Workshop on Capacity Development for Climate Change Negotiations for the Arab Countries at its headquarters in Kuwait from 3 to 5 April 2018. The event was organized in collaboration with and participation of a group of Arab and international organisations including: the Arab League (LAS); United Nations Economic and Social Commission for Western Asia (ESCWA); The United Nations Educational, Scientific and Cultural Organisation (UNESCO); The United Nations Environment Programme (UNEP); and The Environment Public Authority of Kuwait (EPA).



HE ABBAS ALI AL NAQI, OAPEC Secretary General



OAPEC Secretary General HE Abbas Al Naqi opened the workshop with a speech stating that such workshops represent a good opportunity to discuss issues and topics that require prior coordination to agree unified stances among the member countries. He said “this is in order to safeguard our interests and the interests of our future generations, especially that the coming COP24 will discuss

mechanism for implementing the Paris Agreement. This situation calls for our close follow up of the negotiations’ progress in order to achieve the aspired benefits for the developing countries in general, especially Arab countries that rely on almost a single source for their economy and development budgets.

He added “OAPEC members’ continued efforts to meet their obligations, as well as, the endorsement of the agreement by most of our member countries prove that this agreement seeks achieving a common goal on maintaining a pollution-free environment. Also, we have to take into consideration the measures of the developed countries in this regard under the umbrella of the new agreement or any other following new MOU or decision.”

Some of the topics discussed by the workshop included:

- The latest developments on the Paris Agreement negotiations regarding adaptation, mitigation, funding, technology, carbon markets, trade, Talanoa dialogue 2018, and any other negotiation issues.
- Tackling response measures; trade measures in developing countries within the NDCs including measures related to energy, environment-friendly industrial policies,



governments’ green purchases, in addition to financial, commercial, and international cooperation measures.

- Discussing potential impacts of response measures, economic diversification, and enlisting climate measures in trade- related agreements.
- Discussing the possibility of agreeing a framework on adaptation to guide developing countries when introducing funding proposals and to guide donor countries in evaluating projects and their funding.
- Developing Arab negotiators’ skills

on climate change negotiation issues; discussing COP23 outcome; reviewing the negotiation text draft; preparing member countries for the Talanoa dialogue 2018 leading up to the COP24.

On the sidelines of the workshop, a coordination meeting for the Arab Negotiating Group on the UNFCCC was held in preparation for the introductory meeting scheduled to be held in Bonn, Germany by the end of April 2018, which is leading up to the COP24 to be held in Poland in December 2018.





OAPEC WINS INTERNATIONAL ENERGY AWARD

OAPEC has won an international award during the organisation's participation in the 3rd Annual International LNG Summit, held in Hamburg, Germany, on 25 and 26 April 2018.

OAPEC won "The Most Outstanding LNG Advocate" award through secret ballot by participants in the summit. There has been great competition among the nominated organisations.

OAPEC Secretary General HE Abbas Al Naqi said in a press statement that winning this significant international award is an evidence of OAPEC's active presence in international fora. It also contributes to promoting Arab-EU cooperation in petroleum industries. He hopes that these ties would develop even further especially in terms of using technology in the petroleum industry.



HE AL NAQI: GROWING ROLE OF OIL & GAS INDUSTRY IN LEBANON'S FUTURE

OAPEC Secretary General HE Abbas Al Naqi lauded Lebanon’s recent successes in exploration and production activities represented in the approval of the Lebanese Ministerial Council to grant the first two licenses for oil and gas exploration and production in blocks 4 and 9 in the Lebanese territorial waters. This would help Lebanon accelerate joining the oil and gas producing and exporting countries club in the near future.

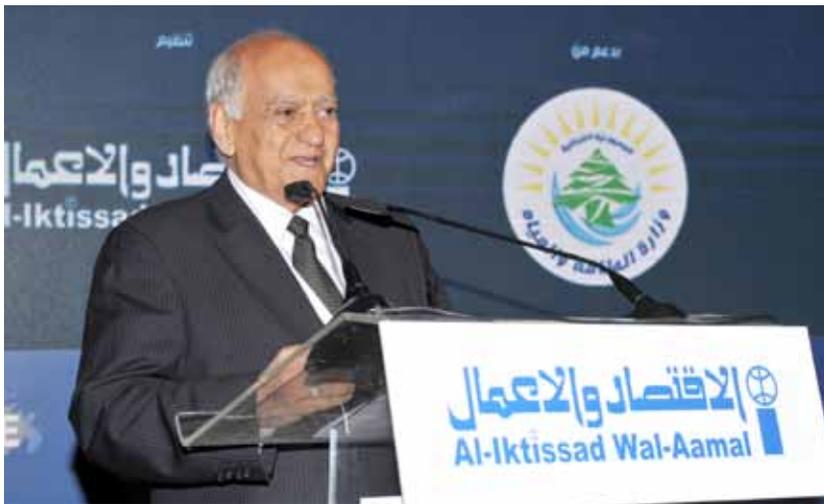
In a speech at the opening of the Oil & Gas in EastMed Forum (OGE), held in Beirut on 28 March 2018, HE Al Naqi said that Lebanon- like other Arab countries- enjoys abundant new and renewable energy resources, which need the most ideal exploitation to achieve energy security. This would pave the way for a strong and sustainable economic development that would have a positive impact on the country’s economy in general and its citizens in particular.

In his paper at the Forum, the Secretary General touched upon the future of Arab countries in the global oil market. He clarified

that most of the world’s growing energy needs would be met by fossil fuel (oil, gas, and coal) for many decades to come according to forecasts by energy organisations and agencies. Fossil fuel is expected to maintain its 80% share of the global energy mix in the future.

OPEC members, including 7 Arab OAPEC member countries, are expected to contribute with about 78% of the global output growth of conventional and unconventional oil during the period 2016-2040, and 22% of natural gas for the same period.

The paper also reviewed a group of topics



HE AL NAQI : LEBANON- LIKE OTHER ARAB COUNTRIES- ENJOYS ABUNDANT NEW AND RENEWABLE ENERGY RESOURCES

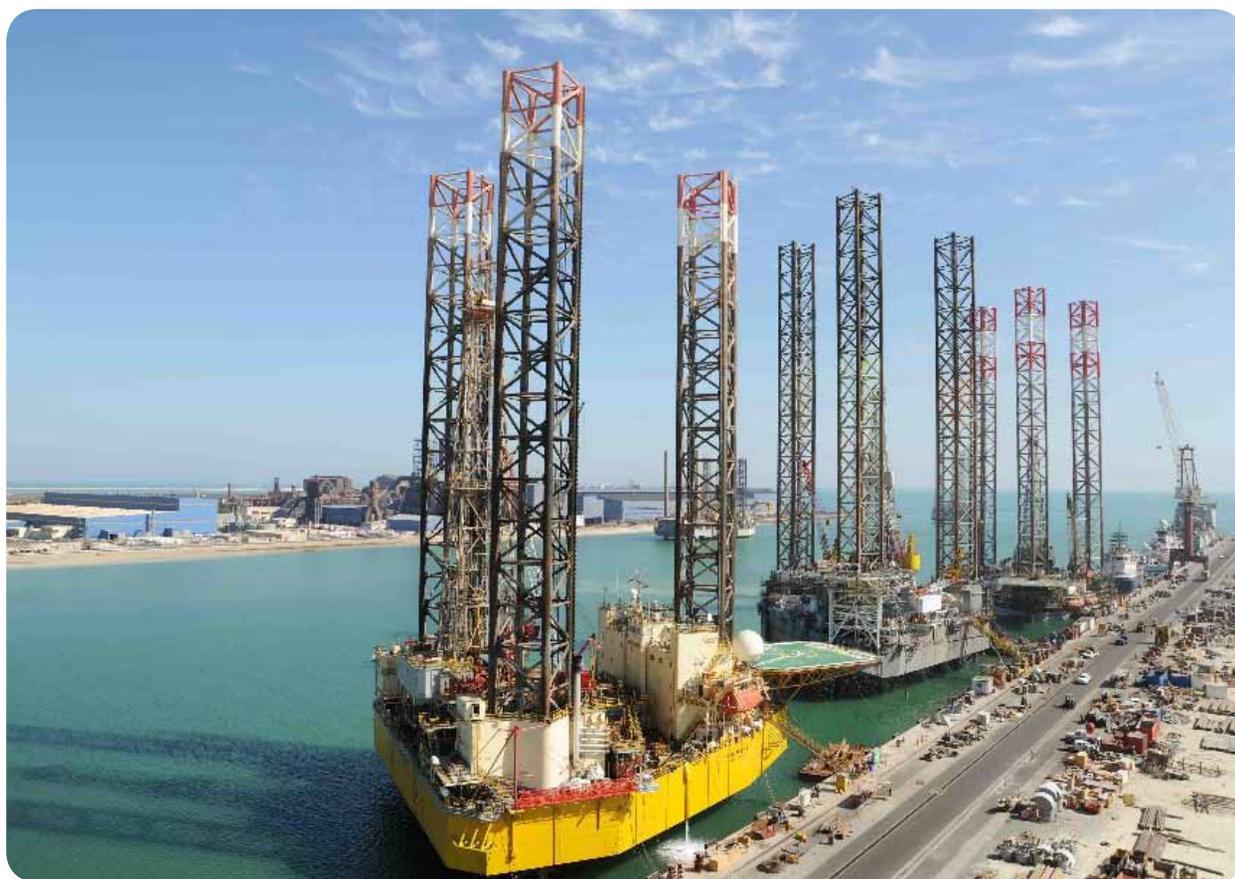
including energy security (for both supply and demand), petroleum investments and projects, future energy and oil demand, and energy efficiency in the Arab countries.

The closing section of the paper focused on environmental challenges linked to climate change. It stressed the commitment of many Arab oil producing countries to adhere to international standards to maintain a pollutants-free environment, and to use technology to obtain fuel and energy with

low emissions. Hence, an emission-free environment should not be linked to fossil fuel consumption, especially crude oil.

The paper underscored the importance of understanding climate change introduced in the current form, as the UNFCCC and the affiliated legal tools would have some impact in the long run on energy consumption, especially crude oil, which in turn would affect the economies of the oil producing and exporting countries.





ASRY HOLDS 151ST BOARD MEETING

Under the chairmanship of Sheikh Daij bin Salman bin Daij Al Khalifa- Chairman of the Board of Directors, the Arab Shipbuilding and Repair Yard's (ASRY) Board of Directors held its 151st meeting at the company's headquarters in Hidd- Kingdom of Bahrain on 15 March 2018 in the presence of the members of the Board and other members of the company's Executive Management team.

The board reviewed the overall positive progress made in the past period, especially during the second half of 2017 along with the last two months of the current year.

The Chairman said it is expected that the company's economic and operational conditions will improve mainly in relation to the new projects that the company has already secured and projects yet to materialize during 2018. With the improvement in oil prices and the company's focus on increasing its activities in the ship repair, offshore and new projects, it is expected that the company will achieve good results in 2018.

He added that the company continues with the roll-out of its new roadmap aimed at developing the business for the current and subsequent years.

APICORP FORECASTS \$260 BILLION INVESTMENT NEEDED TO MEET MENA ELECTRICITY DEMAND

The Arab Petroleum Investments Corporation (APICORP), an OAPEC joint venture, published its latest research report, which this month focuses on the regional power sector. The report forecasts that the MENA region will require \$260 billion of investment to meet rising electricity demand.



APICORP's report also notes that electricity demand and consumption have been growing rapidly in the MENA region, driven by population growth and urbanisation, rising income levels, and industrialisation.

In order to meet this rising demand, APICORP estimates that MENA power capacity will need to expand by an average of 6.4% each year between 2018 and 2022, which corresponds to additional capacity of 117GW. APICORP forecasts that \$152 billion will be needed to deliver this additional capacity, with a further \$108 billion needed for transmission and distribution.

According to the report, the International Monetary Fund still expects an economic growth of 3.2% in 2018 and 2019, rising to 3.5% in 2022.

On the investment side, the required additional generating capacity in the GCC will be found in traditional and renewable forms of power generation. Saudi Arabia will lead the

way in both, with the country needing to invest around \$21bn, which will increase capacity to 92GW.

The UAE needs to invest at least \$33bn to meet its expected additional 16GW capacity requirement over the medium term. APICORP estimates that nearly 10GW of capacity additions are already in execution, including 5.6GW of nuclear.

Ghassan Al Akwaa, Energy Sector Specialist at APICORP, commented that fiscal challenges have meant that governments are no longer able to support the provision of cheap power. Many countries are accelerating their price reform plans with the aim of liberalising prices in the short term. While these programmes will aim to reduce the fiscal burden on governments, they will also put downward pressure on power demand.

He added that governments have limited options in the medium-term and IPPs will continue to be at the forefront of governments' strategies to add generating capacities, which will provide significant relief to government finances and state utilities.

The report explains that in the GCC, governments have coped well with rising electricity demand. However, recent increases in electricity prices in Saudi Arabia will slow demand growth.





Petroleum Developments in the World Market and Member Countries*

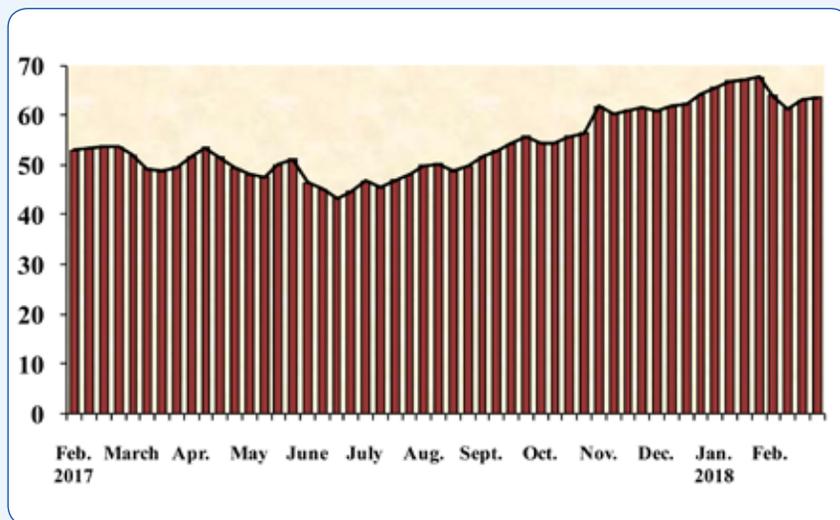
1. Oil Market

1. Prices

1-1 Crude Oil Prices

Weekly average price of OPEC basket decreased during the first week of February 2018, to reach \$63.9/bbl, and continued to decline, to reach its lowest level of \$61.3/bbl during the second week, then raise thereafter, to reach \$63.6/bbl during the fourth week, as shown in figure 1:

Figure - 1 Weekly Average Spot Price of the OPEC Basket of Crudes 2017 - 2018 (\$/bbl)



On monthly basis, OPEC Reference Basket in February 2018, averaged \$63.5/bbl, representing a decrease of \$3.4/bbl or 5% comparing with previous month, and an increase of \$10.1/bbl or 18.9% from the same month of previous year. US production rose to near-record levels, waning demand ahead of the start of the refinery maintenance season, and dollar surged following strong US jobs numbers, were major stimulus for the decrease in oil prices during the month of February 2018, for the first time in six months.

Key Indicators

- In February 2018, **OPEC Reference Basket decreased** by 5% or \$3.4/bbl from the previous month level to stand at \$63.5/bbl.
- **World oil demand** in February 2018, **increased** by 0.8% or 0.8 million b/d from the previous month level to reach 99.2 million b/d.
- **World oil supplies** in February 2018, **increased** by 0.3% or 0.3 million b/d from the previous month level to reach 98.9 million b/d.
- **US tight oil production** in February 2018, **increased** by 1.6% to reach about 6.7 million b/d, and **US oil rig count increased** by 42 rig from the previous month level to stand at 862 rig.
- **US crude oil imports** in January 2018, **increased** by 3% from the previous month level to reach 8 million b/d, whereas **US product imports decreased** by 2.3% to reach about 2.2 million b/d.
- **OECD commercial inventories** in January 2018 **increased** by 18 million barrels from the previous month level to reach 2871 million barrels, and **Strategic inventories** in OECD-34, South Africa and China **increased** by 2 million barrels from the previous month level to reach 1850 million barrels.
- **The average spot price of natural gas** at the Henry Hub in February 2018 **decreased** by \$1.2/million BTU comparing with the previous month level to reach \$2.67/million BTU.
- **The Price of Japanese LNG imports** in January 2018 **increased** by \$0.6/m BTU to reach \$8.7/m BTU, the **Price of Chinese LNG imports increased** by \$0.3/m BTU to reach \$8.4/m BTU, and the **Price of Korean LNG increased** by \$0.4/m BTU to reach \$8.7/m BTU,
- **Arab LNG exports to Japan, Korea and China** were about 5.181 million tons in January 2018 (a share of 29.5% of total imports).

* Prepared by the Economics Department.

Table (1) and figure (2) show the change in the price of the OPEC basket versus last month and the corresponding month of last year:

| | Feb. 2017 | Mar. | Apr. | May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. 2018 | Feb. |
|---|-----------|------|------|------|------|------|------|------|------|------|------|-----------|------|
| OPEC Basket Price | 53.4 | 50.3 | 51.4 | 49.2 | 45.2 | 46.9 | 49.6 | 53.4 | 55.5 | 60.7 | 62.1 | 66.9 | 63.5 |
| Change From previous Month | 1.0 | -3.1 | 1.1 | -2.2 | -4.0 | 1.7 | 2.7 | 3.8 | 2.1 | 5.2 | 1.3 | 4.8 | -3.4 |
| Change from same month of previous Year | 24.7 | 15.7 | 13.5 | 6.0 | -0.6 | 4.2 | 6.5 | 10.5 | 7.6 | 17.5 | 10.4 | 14.5 | 10.1 |

* Effective June 16, 2005 OPEC replaced its seven-crude basket with one comprised of eleven crudes, one from each member country (weighted according to production and exports to major markets). Effective 1 January and mid of October 2007, Angola's Girassol and Ecuadorian Oriente crudes have been incorporated to become the 12th and 13th crudes comprising the new OPEC Basket. As of Jan. 2009, the basket excludes the Indonesian crude. As of Jan. 2016, the basket price includes the Indonesian crude. As of July 2016, the basket price includes the Gabonese crude. As of Jan. 2017, the basket excludes the Indonesian crude. As of June 2017 the basket price includes the Equatorial Guinean crude "Zafiro".

Figure - 2 Change in the Price of the OPEC Basket of Crudes, 2017-2018 (\$/bbl)



Table (3) in the annex show spot prices for OPEC basket and other crudes for the period 2016-2018.

1-2 Spot Prices of Petroleum Products

- US Gulf

In February 2018, the spot prices of premium gasoline decreased by 3.6% or \$3/bbl comparing with their previous month levels to reach \$80.8/bbl, spot prices of fuel oil decreased by 4.7% or \$2.7/bbl to reach \$54.2/bbl, and spot prices of gas oil decreased by 8.1% or \$6.4/bbl to reach \$72.5/bbl.



- Rotterdam

The spot prices of premium gasoline decreased in February 2018, by 3.3% or \$2.8/bbl comparing with previous month levels to reach \$82.8/bbl, spot prices of fuel oil decreased by 4.3% or \$2.5/bbl to reach \$55.2/bbl, and spot prices of gas oil decreased by 5.7% or \$4.7/bbl to reach \$77.5/bbl.

- Mediterranean

The spot prices of premium gasoline decreased in February 2018, by 4.9% or \$3.8/bbl comparing with previous month levels to reach \$73.3/bbl, spot prices of fuel oil decreased by 4.9% or \$2.9/bbl to reach \$56.3/bbl, and spot prices of gas oil decreased by 4.8% or \$3.9/bbl to reach \$77.6 bbl.

- Singapore

The spot prices of premium gasoline decreased in February 2018, by 2% or \$1.6/bbl comparing with previous month levels to reach \$77/bbl, spot prices of fuel oil decreased by 3.2% or \$1.9/bbl to reach \$57/bbl, and spot prices of gas oil decreased by 4.5% or \$3.7/bbl to reach \$78/bbl.

Figure (3) shows the price of Premium gasoline in all four markets from February 2017 to February 2018.

Figure - 3

Monthly Average Spot Prices of Premium Gasoline, 2017-2018

(\$/bbl)

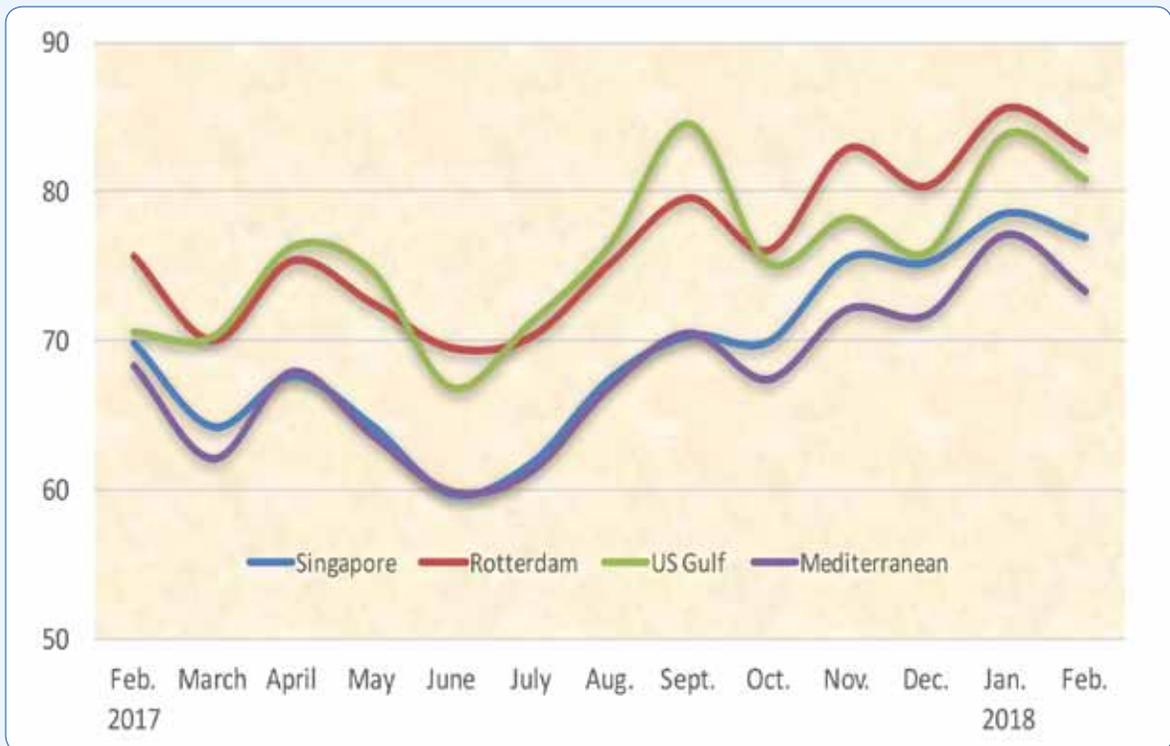


Table (4) in the annex shows the average monthly spot prices of petroleum products, 2016-2018.

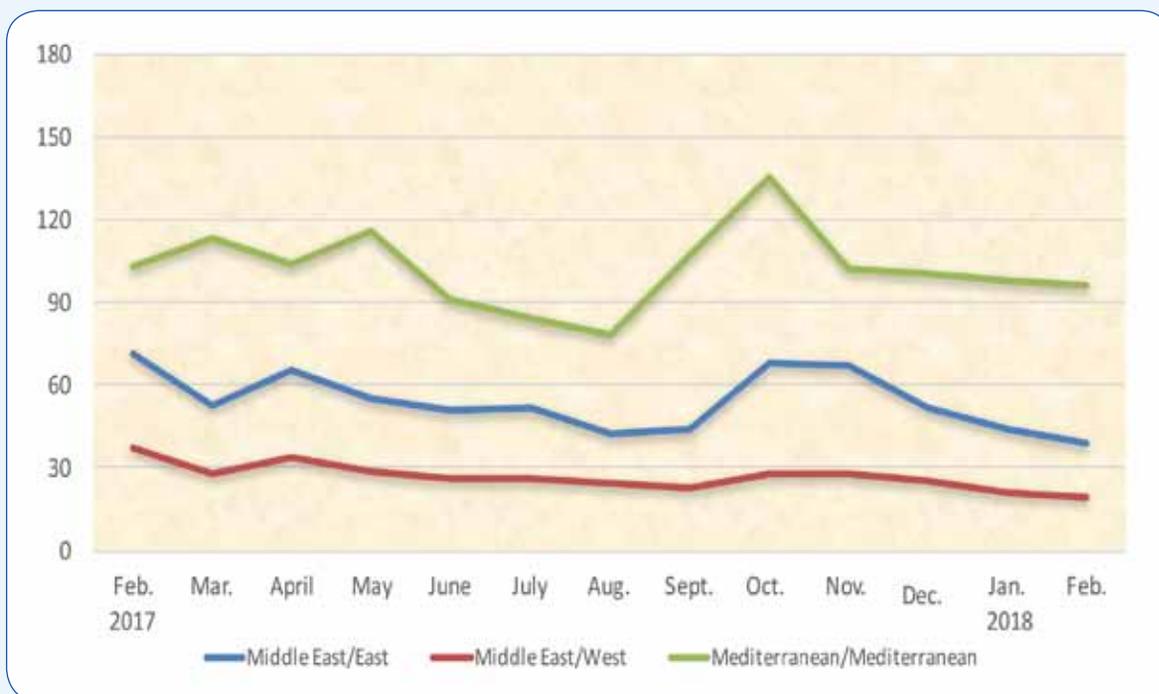
1-3 Spot Tanker Crude Freight Rates

In February 2018, Freight rates for crude oil for tanker size (230-280 thousand deadweight tons (dwt)), leaving Middle Eastern ports to the East, decreased by 5 points or 11.4% comparing with previous month to reach 39 points on the World Scale (WS*), freight rates for crude oil for tanker size (270-285 thousand deadweight tons (dwt)), leaving Middle Eastern ports to the West, decreased by 2 points or 9.5% comparing with previous month to reach 19 points on the World Scale (WS).

And freight rates for inter - Mediterranean for small to medium sized tankers (80-85 thousand deadweight tons (dwt)), decreased by 2 points or 2% comparing with previous month to reach 96 points on the World Scale (WS).

Figure (4) shows the freight rates for crude oil to all three destinations from February 2017 to February 2018.

Figure - 4 Monthly Spot Crude Oil Tanker Freight Rates, 2017 -2018 (World Scale)*



* World Scale is a method for calculating freight prices. One point for the WS means 1% of the standard price of freight in the direction in the WS book, which is published annually by the World Scale Association. The book contains a list of prices in the form of US dollar per ton, called "World Scale 100," for all the major routes in the world.

1-4 Spot Tanker Product Freight Rates

In February 2018, monthly spot Tanker freight rates for petroleum products [for tanker size 30-35 thousand deadweight tons (dwt)], leaving Middle Eastern ports to the East, increased by 15 points, or 16.3% comparing with previous month to reach 107 points on WS.



Whereas Freight rates for Petroleum Products across Mediterranean [for tanker size 30-35 thousand deadweight tons (dwt)], decreased by 28 points, or 15.2% to reach 156 points on WS, and freight rates for petroleum products [for tanker size 30-35 thousand deadweight tons (dwt)], leaving Mediterranean to North-West Europe decreased by 28 points, or 14.4% to reach 166 points on WS.

Figure (5) shows the freight rates for oil products to all three destinations from February 2017 to February 2018.

Figure - 5

Monthly Spot Product Tanker Freight Rates, 2017 -2018

(World Scale)

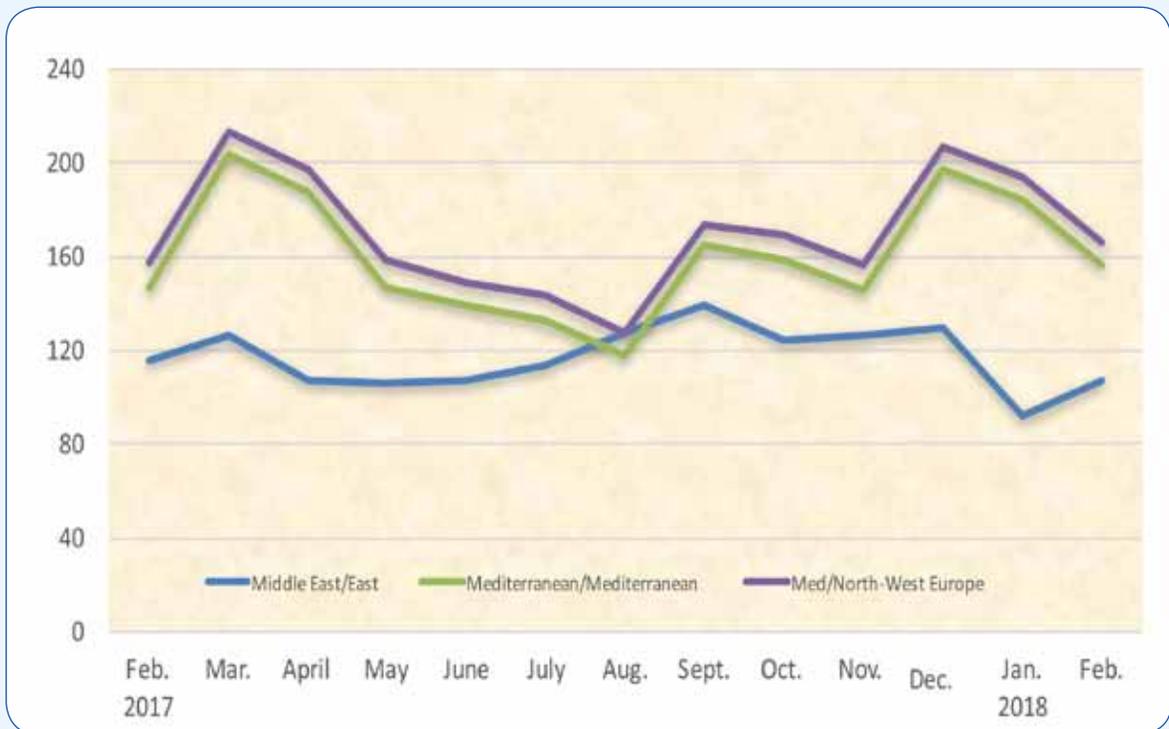


Table (5) and **(6)** in the annex show crude and products Tankers Freight Rates, 2016-2018.

2. Supply and Demand

Preliminary estimates in February 2018 show an increase in world oil demand by 0.8% or 0.8 million b/d, comparing with the previous month level to reach 99.2 million b/d, representing an increase of 1.8 million b/d from their last year level.

Demand in OECD countries increased by 1.7% or 0.8 million b/d comparing with their previous month level to reach 47.5 million b/d, representing an increase of 0.4 million b/d from their last year level. Whereas demand in Non-OECD countries remained stable at the same previous month level of 51.7 million b/d, representing an increase of 1.4 million b/d from their last year level.

On the supply side, preliminary estimates show that world oil supplies for February 2018 increased by 0.3% or 0.3 million b/d, comparing with the previous month to reach 98.9 million b/d, representing an increase of 1.5 million b/d from their last year level.

In February 2018, OPEC crude oil and NGLs/condensates total supplies decreased by 1.3% or 0.5 million b/d, comparing with the previous month level to reach 38.2 million b/d, representing a decrease of 0.7 million b/d from their last year level. Whereas preliminary estimates show that Non-OPEC supplies increased by 1.3% or 0.8 million b/d, comparing with the previous month to reach 60.6 million b/d, representing an increase of 2 million b/d from their last year level.

Preliminary estimates of the supply and demand for February 2018 reveal a shortage of 0.3 million b/d, compared to a surplus of 0.2 million b/d in January 2018 and a balance in February 2017, as shown in [table \(2\)](#) and [figure \(6\)](#):

Table 2 World Oil Supply and Demand (Million b/d)

| | February 2018 | January 2018 | Change from January 2018 | February 2017 | Change from February 2017 |
|--------------------------|---------------|--------------|--------------------------|---------------|---------------------------|
| <i>OECD Demand</i> | 47.5 | 46.8 | 0.8 | 47.1 | 0.4 |
| <i>Rest of the World</i> | 51.7 | 51.7 | 0.0 | 50.3 | 1.4 |
| <i>World Demand</i> | 99.2 | 98.4 | 0.8 | 97.4 | 1.8 |
| <i>OPEC Supply :</i> | <u>38.2</u> | <u>38.7</u> | <u>-0.5</u> | <u>38.9</u> | <u>-0.7</u> |
| <i>Crude Oil</i> | 31.7 | 32.1 | -0.4 | 32.4 | -0.7 |
| <i>NGLs & Cond.</i> | 6.5 | 6.6 | -0.1 | 6.5 | 0.0 |
| <i>Non-OPEC Supply</i> | 58.2 | 57.6 | 0.6 | 56.3 | 1.9 |
| <i>Processing Gain</i> | 2.4 | 2.3 | 0.1 | 2.3 | 0.1 |
| <i>World Supply</i> | 98.9 | 98.6 | 0.3 | 97.4 | 1.5 |
| <i>Balance</i> | (0.3) | 0.2 | | 0.0 | |

Source: Energy Intelligence Briefing Mar. 20, 2018.



Figure - 6

World Oil Supply and Demand

(Million b/d)



Tables (7) and (8) in the annex show world oil demand and supply for the period 2015-2017.

US tight oil production

In February 2018, US tight oil production increased by 104 thousand b/d or 1.6% comparing with the previous month level to reach 6.719 million b/d, representing an increase of 1.3 million b/d from their last year level. The US oil rig count increased by 42 rig comparing with the previous month level to reach 862 rig, a level that is 225 rig higher than last year, as shown in table (3) and figure (7):

Table 3

US tight oil production*

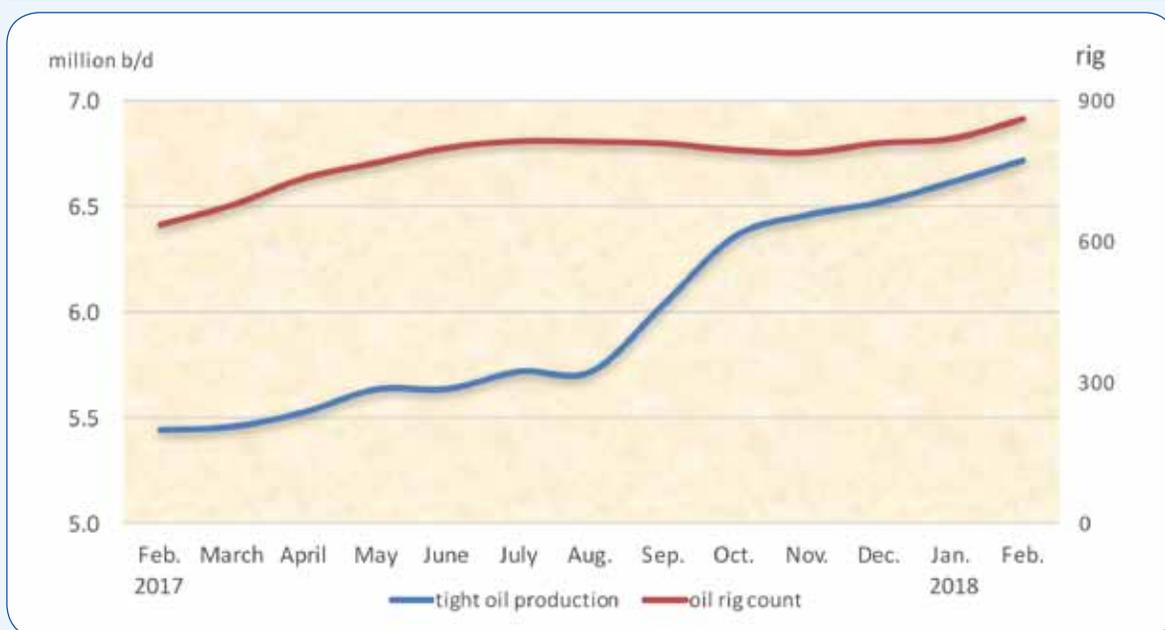
(Million b/d)

| | February 2018 | January 2018 | Change from January 2018 | February 2017 | Change from February 2017 |
|-----------------------------|---------------|--------------|--------------------------|---------------|---------------------------|
| <i>tight oil production</i> | 6.719 | 6.615 | 0.104 | 5.440 | 1.279 |
| <i>Oil rig count (rig)</i> | 862 | 820 | 42 | 637 | 225 |

Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions, March 2018.

* focusing on the six most prolific areas, which are located in the Lower 48 states. These six regions accounted for 92% of domestic oil production growth during 2011-2014, Bakken, Eagle Ford, Haynesville, Niobrara, Permian, Appalachia (Utica and Marcellus), in addition to Anadarko region which become the target of many producers in the recent years, as of July 2017, there are 129 operating rigs in the Anadarko region.

Figure - 7 US tight oil production and oil rig count



3.Oil Trade

USA

In January 2018, US crude oil imports increased by 231 thousand b/d or 3% comparing with the previous month level to reach 8 million b/d. Whereas US oil products imports decreased by 50 thousand b/d or 2.3% to reach about 2.2 million b/d.

On the export side, US crude oil exports decreased by 47 thousand b/d or 3.4% comparing with the previous month level to reach 1.4 million b/d, and US products exports decreased by 94 thousand b/d or 1.8% to reach 5 million b/d. As a result, US net oil imports in January 2018 were 322 thousand b/d or nearly 9.2% higher than the previous month, averaging 3.8 million b/d.

Canada remained the main supplier of crude oil to the US with 47% of total US crude oil imports during the month, followed by Mexico with 9%, then Saudi Arabia with 8.6%. OPEC Member Countries supplied 37% of total US crude oil imports.

Japan

In January 2018, Japan's crude oil imports decreased by 104 thousand b/d or 3% comparing with the previous month to reach 3.4 million b/d. Whereas Japan oil products imports increased by 57 thousand b/d or 8.4% comparing with the previous month to reach 722 thousand b/d, the highest level since November 2013.

On the export side, Japan's oil products exports decreased in January 2018, by 130 thousand b/d or 20% comparing with the previous month, averaging 523 thousand b/d. As a result, Japan's net oil imports in January 2018 increased by 83 thousand b/d or 2.4% to reach 3.6 million b/d.



Saudi Arabia was the big supplier of crude oil to Japan with a share of 40% of total Japan crude oil imports, followed by UAE with 26% and Qatar with 7% of total Japan crude oil imports.

China

In January 2018, China’s crude oil imports increased by 1.6 million b/d or 21% to reach 9.6 million b/d. And China’s oil products imports increased by 174 thousand b/d or 12% to reach 1.6 million b/d.

On the export side, China’s crude oil exports reached 94 thousand b/d. Whereas China’s oil products exports decreased by 511 thousand b/d or 32% to reach 1.1 million b/d. As a result, China’s net oil imports reached 10 million b/d, representing an increase of 29.4% comparing with the previous month level.

Russia was the big supplier of crude oil to China with 15% of total China’s crude oil imports during the month, followed by Saudi Arabia with 14% and Angola with 9%.

Table (4) shows changes in crude and oil products net imports/(exports) in January 2018 versus the previous month:

Table 4 USA, Japan and China Crude and Product Net Imports / Exports (Million bbl/d)

| | Crude Oil | | | oil Products | | |
|-------|--------------|---------------|---------------------------|--------------|---------------|---------------------------|
| | January 2018 | December 2017 | Change from December 2017 | January 2018 | December 2017 | Change from December 2017 |
| USA | 6.660 | 6.382 | 0.278 | -2.835 | -2.879 | 0.044 |
| Japan | 3.421 | 3.525 | -0.104 | 0.199 | 0.012 | 0.187 |
| China | 9.502 | 7.919 | 1.583 | 0.476 | -0.208 | 0.684 |

Source: OPEC Monthly Oil Market Report, various issues 2018.

4. Oil Inventories

In January 2018, OECD commercial oil inventories increased by 18 million barrels to reach 2871 million barrels – a level that is 199 million barrels lower than a year ago. It is worth mentioning that during the month, commercial crude inventories in OECD increased by 17 million barrels to reach 1114 million barrels, and commercial oil products inventories increased by 1 million barrel to reach 1757 million barrels.

Commercial oil inventories in Americas decreased by 10 million barrels to reach 1488 million barrels, of which 584 million barrels of crude and 904 million barrels of oil products. commercial oil inventories in Pacific decreased by 4 million barrels

to reach 408 million barrels, of which 187 million barrels of crude and 221 million barrels of oil products.

Whereas Commercial oil Inventories in Europe increased by 32 million barrels to reach 975 million barrels, of which 343 million barrels of crude and 632 million barrels of oil products.

In the rest of the world, commercial oil inventories increased by 66 million barrels to reach 2732 million barrels, whereas the Inventories at sea decreased by 2 million barrels to reach 1170 million barrels.

As a result, Total Commercial oil inventories in January 2018 increased by 84 million barrels to reach 5603 million barrels – a level that is 132 million barrels lower than a year ago.

Strategic inventories in OECD-34, South Africa and China increased by 2 million barrels to reach 1850 million barrels – a level that is 33 million barrels lower than a year ago

Total world inventories, at the end of January 2018 were at 8623 million barrels, representing an increase of 84 million barrels comparing with the previous month, and a decrease of 226 million barrels comparing with the same month a year ago.

Table (9) in the annex and **figure (8)** show the changes in global inventories prevailing at the end of January 2018.

Figure - 8 Changes in Global Inventories at the End of January 2018 (Million bbl)





II. The Natural Gas Market

1- Spot and Future Prices of Natural Gas in US market

The monthly average of spot natural gas price at the Henry Hub in February 2018 decreased by \$1.2/million BTU comparing with the previous month level to reach \$2.67/million BTU.

The comparison, shown in **table (5)**, between natural gas prices and the WTI crude reveal differential of \$8/ million BTU in favor of WTI crude.

Table 5 Henry Hub Natural Gas and WTI Crude Average Spot Prices, 2017-2018 (\$/ Million BTU¹)

| | Feb. 2017 | Mar. | Apr. | May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. 2018 | Feb. |
|-----------------------------------|-----------|------|------|-----|------|------|------|------|------|------|------|-----------|------|
| <i>Natural Gas</i> ⁽²⁾ | 2.8 | 2.9 | 3.1 | 3.2 | 3.0 | 3.0 | 2.9 | 3.0 | 2.9 | 3.0 | 2.8 | 3.7 | 2.7 |
| <i>WTI Crude</i> ⁽³⁾ | 9.2 | 8.6 | 8.8 | 8.4 | 7.8 | 8.1 | 8.3 | 8.3 | 8.9 | 9.8 | 10.0 | 11.0 | 10.7 |

1. British Thermal Unit.

2. Henry Hub spot price.

3. WTI – West Texas Intermediate Crude oil price, in dollars per barrel, is converted to dollar per million BTU using a conversion factor of 5.80 million BTU/bbl.

Source: <http://www.eia.gov/dnav/ng/hist/rngwhhdM.htm>

2- LNG Markets in North East Asia

The following paragraphs review the developments in LNG Markets in North East Asia, concerning prices and Japanese, Chinese and South Korean imports of LNG and their sources, and Spot LNG Exporters Netbacks.

2.1. LNG Prices

In January 2018, the price of Japanese LNG imports increased by \$0.6/million BTU comparing with the previous month to reach \$8.7 million BTU, the price of Chinese LNG imports increased by \$0.3/million BTU comparing with the previous month to reach \$8.4/ million BTU, and the price of Korean LNG imports increased by \$0.4/million BTU comparing with the previous month to reach \$8.7/ million BTU.

2.2. LNG Imports

Total Japanese, Korean and Chinese LNG imports from various sources, increased by 2.5% or 433 thousand tons from the previous month level to reach 17.591 million tons.

Table (6) shows the prices and quantities of LNG imported by Japan, South Korea, and China for the period 2016-2018.

Table6 LNG Prices and Imports: Korea, Japan, and China 2016-2018

| | Imports (thousand tons) | | | | Average Import Price (\$/million BTU) | | |
|--------------|----------------------------|--------------|--------------|---------------|--|------------|------------|
| | Japan | Korea | China | Total | Japan | Korea | China |
| 2016 | 82767 | 33257 | 26017 | 142041 | 6.9 | 6.9 | 6.5 |
| January 2016 | 7245 | 3338 | 2464 | 13047 | 7.9 | 8.0 | 7.3 |
| February | 7370 | 2998 | 1801 | 12169 | 8.0 | 7.8 | 6.9 |
| March | 7959 | 3282 | 1702 | 12943 | 7.2 | 7.3 | 6.6 |
| April | 6382 | 2177 | 1861 | 10420 | 6.4 | 6.6 | 6.6 |
| May | 5455 | 2218 | 1425 | 9098 | 5.9 | 6.0 | 6.3 |
| June | 6193 | 2484 | 2146 | 10823 | 6.0 | 5.7 | 6.0 |
| July | 6460 | 1918 | 1604 | 9982 | 6.3 | 5.9 | 5.4 |
| August | 7656 | 1971 | 2257 | 11884 | 6.7 | 6.3 | 6.0 |
| September | 6671 | 2236 | 2527 | 11434 | 7.1 | 6.8 | 6.1 |
| October | 6282 | 3187 | 1838 | 11307 | 7.2 | 7.3 | 6.7 |
| November | 7545 | 3422 | 2659 | 13626 | 7.1 | 7.5 | 6.8 |
| December | 7549 | 4026 | 3733 | 15308 | 7.1 | 7.3 | 7.1 |
| 2017 | 6969 | 3138 | 3191 | 13298 | 8.1 | 8.0 | 7.3 |
| January 2017 | 8302 | 4294 | 3436 | 16032 | 7.5 | 7.9 | 7.0 |
| February | 7790 | 3600 | 2372 | 13762 | 7.9 | 8.0 | 7.0 |
| March | 8143 | 3527 | 1991 | 13661 | 7.7 | 7.8 | 6.9 |
| April | 6573 | 2337 | 2171 | 11081 | 8.2 | 7.8 | 7.0 |
| May | 6239 | 2488 | 2911 | 11638 | 8.5 | 8.3 | 7.3 |
| June | 6185 | 3460 | 3038 | 12683 | 8.3 | 7.8 | 7.1 |
| July | 6817 | 2716 | 3121 | 12654 | 8.3 | 7.9 | 7.4 |
| August | 7259 | 2603 | 3140 | 13002 | 8.3 | 8.2 | 7.4 |
| September | 5821 | 2368 | 3454 | 11643 | 8.1 | 8.1 | 7.2 |
| October | 6137 | 2760 | 3567 | 12464 | 7.8 | 8.1 | 7.4 |
| November | 6411 | 3328 | 4056 | 13795 | 7.9 | 7.7 | 7.7 |
| December | 7953 | 4176 | 5029 | 17158 | 8.1 | 8.3 | 8.1 |
| January 2018 | 8263 | 4144 | 5184 | 17591 | 8.7 | 8.7 | 8.4 |

Source: World Gas Intelligence various issues.



2.3. Sources of LNG imports

Australia was the big supplier of LNG to Japan, Korea and China with 4.512 million tons or 25.6% of total Japan, Korea and China LNG imports in January 2018, followed by Qatar with 22.5% and Malaysia with 13.7%.

The Arab countries LNG exports to Japan, Korea and China totaled 5.181 million tons - a share 29.5% of total Japanese, Korean and Chinese LNG Imports during the same month.

2.4. LNG Exporter Netbacks

With respect to the Netbacks at North East Asia markets, Russia ranked first with \$10.32/million BTU at the end of January 2018, followed by Indonesia with \$10.15/million BTU then Malaysia with \$10.10/million BTU, and Australia with \$10.06/million BTU. LNG Qatar’s netback reached \$9.77/million BTU, and LNG Algeria’s netback reached \$9.28/million BTU.

Table (7) shows LNG exporter main countries to Japan, South Korea, and China and their netbacks at the end of January 2018.

Table7 LNG Exporter Main Countries to Japan, Korea and China, And Their Netbacks at The End of January 2018

| | Imports (thousand tons) | | | | Spot LNG Netbacks at North East Asia Markets (\$/million BTU) |
|---------------------------------|----------------------------|-------------|-------------|--------------|---|
| | Japan | Korea | China | Total | |
| Total Imports, of which: | 8263 | 4144 | 5184 | 17591 | |
| Australia | 2262 | 444 | 1806 | 4512 | 10.06 |
| Qatar | 1130 | 1634 | 1188 | 3952 | 9.77 |
| Malaysia | 1485 | 417 | 500 | 2402 | 10.10 |
| Indonesia | 675 | 188 | 344 | 1207 | 10.15 |
| Russia | 668 | 194 | 63 | 925 | 10.32 |

* Export Revenues minus transportation costs, and royalty fees.
Source: World Gas Intelligence various issues.



Tables Annex

ANNOUNCEMENT



OAPEC AWARD FOR SCIENTIFIC RESEARCH FOR THE YEAR 2018

Pursuant to its policy of encouraging scientific research by awarding two prizes on a biennial basis (First Prize KD 7000, Second Prize KD 5000, equivalent to USD \$23000 and USD \$16000), upon the resolution number 1/147 of OAPEC Executive Bureau at its meeting dated 14/5/2017. The Organization of Arab Petroleum Exporting Countries (OAPEC) is pleased to announce that the research field selected for the “OAPEC Award for Scientific Research for the Year 2018” is:

“Petroleum and Energy- Related Economic Research Including Supply, Consumption and Prices”

Research Field:

The economic dimension represents a major component of energy industry, in general, and oil and gas in particular. Economic research addressing petroleum and energy industry covers a broad spectrum of expanses, including supply, demand, trade movements, prices trend, petroleum revenues, investment, and the various energy policies. Correlation between energy and sustainable development goals, as well as numerous other aspects, are also targeted by the research. A whole host of addressable thrusts are tackled in the different parts of the research. The economic aspect, pertinent to one of the proposed petroleum and energy, should be tackled by the researcher. These domains include:

1. Current and Future Developments in Energy Markets.
2. Global Supply of Various Energy Sources.
3. Global Energy Demand: Current and Future Prospects.
4. Developments in Energy Prices and Their Implications for Demand and Supply Levels.
5. Energy Subsidy Policies and Their Impacts on Domestic Economies.
6. Petroleum Revenues and Their Impact on Producing Countries' Economies.
7. Investment in Energy, Enhancing The Role of The Private Sector: Current Status and Future Prospects.
8. The Energy Policies in The Main Consuming Countries and Their Implications for The Energy Future.

Conditions for Submitting the Research

1. The research may be submitted by one or more author(s). Institutions and organizations are excluded.
2. The research submitted must be new and original, and has not been granted an award previously.
3. The author(s) shall agree in advance to give OAPEC the right to print and publish the research in case his/her/their win one of the prizes. A signed statement to this effect must be submitted with the research (sample provided below). The author(s) will maintain all other rights, including patent rights (if applicable). OAPEC shall not exercise its right to publish the winning research for a period of six months commencing with the date of advising the winning author (s) with the decision of the Award Committee.
4. A statement by the author(s), attesting that the research is original. Segments fully or partially adopted from other sources should be properly cited. A detailed list of all references used must also be attached.

Deadline for receiving research papers for OAPEC Scientific Award 2018 has been extended to 15 June 2018.

5. Four hard copies and a digital copy of the research (either in Arabic or English) should be submitted, along with the Curriculum Vitae of each researcher, to the Organization of Arab Petroleum Exporting Countries.
6. The deadline for submitting the research is 31st May, 2018. No submission will be accepted after that date.
7. Prizes are awarded to individuals of all nationalities advised of the Award Committee's decision.
8. **The award will not be presented twice consecutively to the same recipient.**
9. **Any research that does not fulfill the above conditions shall be disregarded.**

Researchers will be notified by OAPEC Secretariat of the Award Committee's decision. The winners will be officially announced at the end of the OAPEC's Ministerial Council in 2018. For further information you may contact the OAPEC General Secretariat at:

Organization of Arab Petroleum Exporting Countries (OAPEC)
Secretariat of the Award Organizing Committee
P.O.Box 20501 Safat 13066 Kuwait
Tel.: (+965) 24959766 - Fax: (+965) 24959755
E-mail: oapecaward2018@oapecorg.org
Website: www.oapecorg.org

Organization of Arab Petroleum Exporting Countries (OAPEC)
OAPEC AWARD FOR SCIENTIFIC RESEARCH FOR THE YEAR 2018

Field

**“Petroleum and Energy-Related Economic Research
Including Supply, Consumption and Prices ”**

Statement of relinquishment of printing and publication right for the research

I, undersigned:

.....
Hereby undertake to relinquish all printing and publications right of the research submitted by me entitled:

.....
.....
to the Organization of the Arab Petroleum Exporting Countries (OAPEC), in the event of winning one of the two prizes of OAPEC Award for Scientific Research for the year 2018.

Name:

Signature:

Date: / /