



OAPEC

Vol. 48 No. (12)
December 2022

**SPECIAL
REPORT**

RUSSIAN-UKRAINIAN CRISIS & ENERGY SECURITY



The Cover



OAPEC Monthly Bulletin is published by the
General Secretariat of OAPEC- Information
and Library Department.

(ISSN: 1018-595X)

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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.



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• OAPEC-Joint Ventures:

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

OAPEC'S ORGANS

The Organization carries out its activities through its four organs:

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



RUSSIAN-UKRAINIAN CRISIS & ENERGY SECURITY



By: Ali Sabt Ben Sabt
OAPEC Secretary General

The issue of energy security and the European Union (EU) endeavours to secure domestic energy needs of oil, gas and coal, is still dominating European debates since the beginning of the Russian-Ukrainian crisis in February 2022 causing a major energy crisis in Europe, especially in gas and electricity markets. Among the first repercussions of this crisis is the growing fear of insecurity in terms of the energy system amidst a state of anxiety in European oil and gas markets.

The EU took a series of decisions to put an end to their dependence on Russian oil and gas imports via shifting more focusing on renewable resources. In May 2022, the European Commission has published its International Energy Strategy, which includes the Union's plan to propose emergency measures related to energy prices, gas storage and medium to long-term measures by promoting energy efficiency and increasing the use of renewable energies, in order to dispense with Russian fossil fuels completely by 2027. Key elements of this plan are represented in diversifying supplies, cutting demand, and increasing green energy production in the EU. There is no doubt that the trend towards developing these renewable energies will take a long time, which underscores the dire need for integration among all energy resources available to our world, whether renewable or fossil.

The necessity calls for the EU to exert more efforts to enhance consultation on energy issues in order to maintain more stability in its global markets, especially in light of the state of "uncertainty" associated with the geopolitical developments in Europe. This can only be achieved through close cooperation between the Arab countries members of the OPEC + group in order to secure balance and achieve the desired stability.

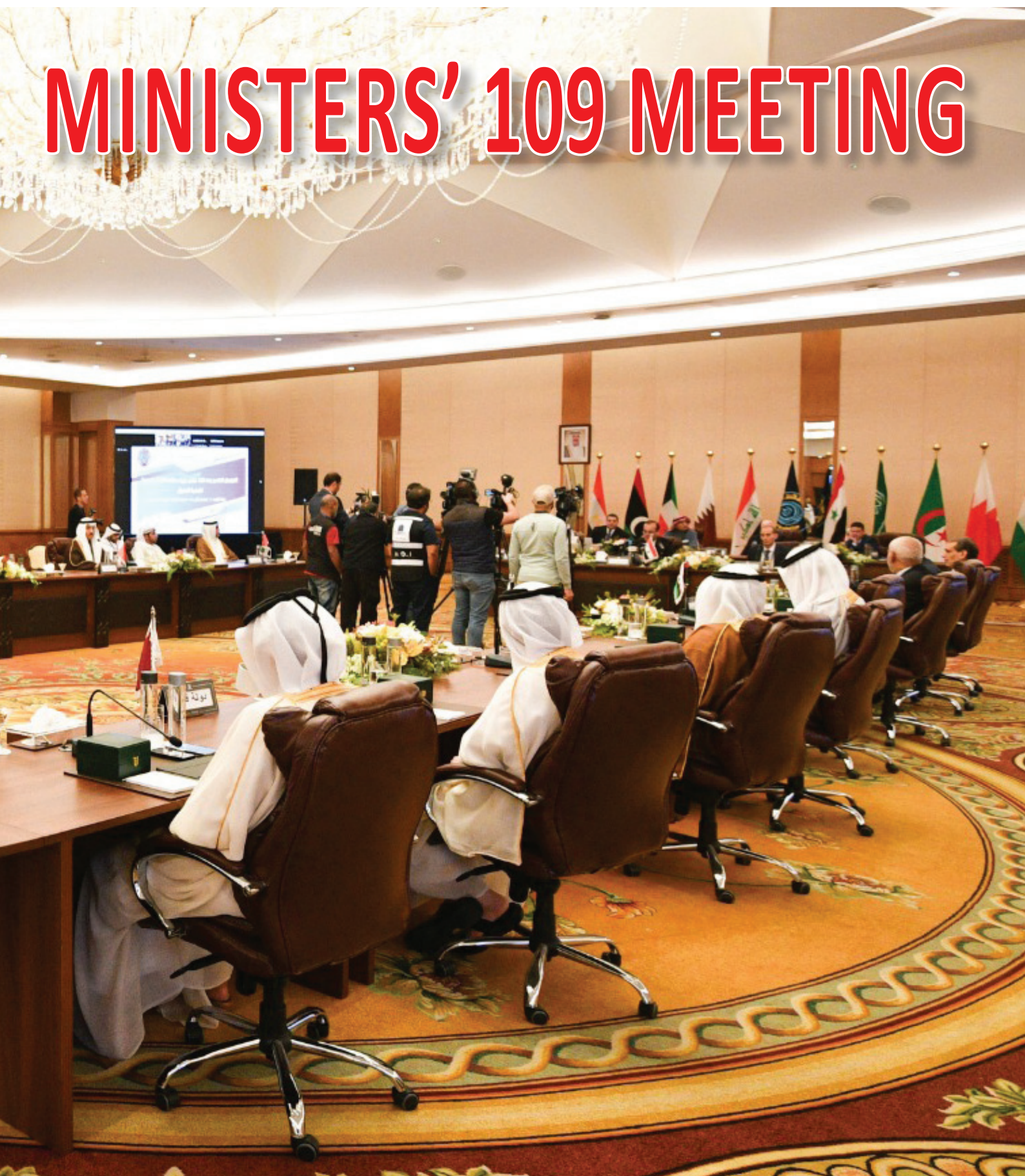
The cooperation of OAPEC Member Countries with European consuming countries, under the umbrella of common interests, would lead to achieving balance and stability in the European markets in particular and the world in general. It is possible to expand cooperation and integration by developing future policies and plans on renewables, clean energy, and joint action in this field.



OAPEC COUNCIL OF



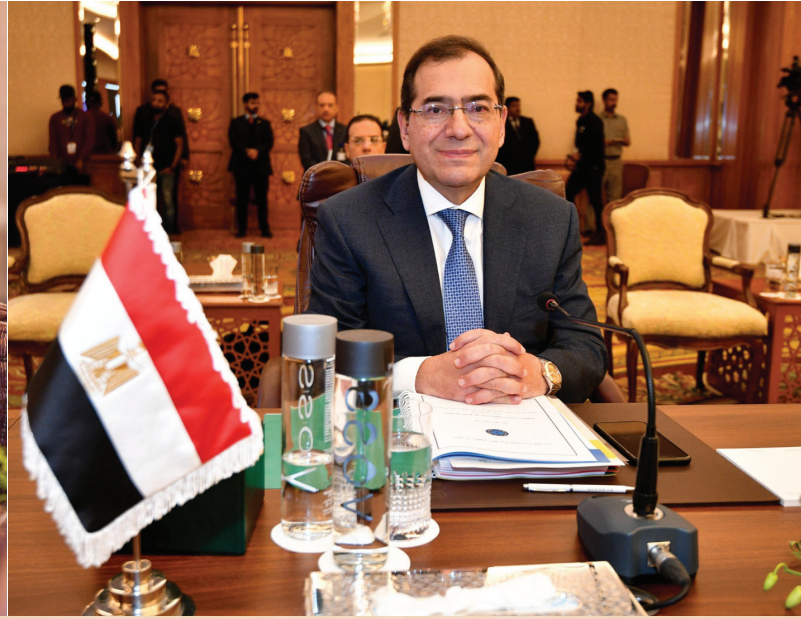
MINISTERS' 109 MEETING





The Council of Ministers of the Organization of Arab Petroleum Exporting Countries (OAPEC) convened its 109th meeting in Kuwait on Monday 12 December 2022 under the chairmanship of Syrian Minister of Oil and Mineral Resources HE Bassam Tohme. The ministerial meeting, discussed the relationship between OAPEC's Secretariat and its joint ventures as well as budget of FY 2023. OAPEC Secretary General HE Ali Sabt ben Sabt and the ministers mulled ways to enhance the Organization's role in training and coordinate the stances of the member countries on the climate talks as well as the ensuing commitments.

"OAPEC's ministerial resolution 107/4 mandating the Executive Bureau to coordinate with the Kingdom of Saudi Arabia regarding the Middle East Green Initiative and the concept of carbon recycling-based economy have been reviewed," HE Ben Sabt noted in a press release. "Preparations for the 12th Arab Energy Conference, due in Qatar late next year, and the progress in the development of the data bank have also been discussed," Ben Sabt revealed. He thanked the OAPEC member countries for the limitless support they offer to the Secretariat of the Organization, expressing hope for more prosperity to the oil industry.





THE 164TH MEETING OF OAPEC EXECUTIVE BUREAU





HE Dr. Miloud Medjelled
Algeria



HE Fyhan M. AL Fihany
Bahrain



HE Geologist Ashraf Mahmoud Mohammad Faraj
Egypt



HE Eng. Naseer Aziz Jabbar
Iraq



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



HE Advisor. Adel Jebri
Libya



HE Sheikh Mishall bin Jabor Al Thani
Qatar



HE Dr. Nasser bin Al Humaidi Al Dossari
KSA



HE Eng. Khaled Matar Al Elaij
Syria



HE Eng. Sharif Salim Al Olama
UAE

OAPEC Executive Bureau held its 164th Meeting on 11 December 2022. It was chaired by Syria's Representative at OAPEC Executive Bureau, HE Eng Khaled Al Elaij, with the participation of their Excellencies members of the Executive Bureau. The meeting aimed at finalising preparations for OAPEC's 109th Ministerial Meeting on 12 December 2022.



THE 21ST EXPERTS MEETING ON COOPERATION OPPORTUNITIES IN NATURAL GAS INVESTMENT IN OAPEC MEMBER COUNTRIES

OAPEC Secretariat General held the 21st Experts Meeting on Cooperation Opportunities in Natural Gas Investment in OAPEC Member Countries, on 15 November 2022, via videoconferencing. A group of experts in the natural gas industry in the member countries, along with a team of the Secretariat General, took part in the event.



In the opening speech, OAPEC Secretary-General, HE Ali Sabt Ben Sabt, indicated that the year 2021 witnessed the beginning of recovery from the Covid-19 pandemic, which had negative repercussions on the global economy, as the global demand for gas rebounded again, recording a high growth of 5.3%, surpassing pre-pandemic levels to reach 390 billion cubic feet/day for the first time, indicating a full recovery from the repercussions of the pandemic. While global gas production witnessed a remarkable growth of 4.8%, to meet a growing demand. The share of natural gas in the global energy mix was about 24%.

The Secretary-General also made it clear that despite these positive supply and demand indicators, global markets, especially the European ones, witnessed



sharp hikes in spot prices due to insufficient global supplies, to clearly reflect that the sector still needs to continue injecting more investments to ensure the provision of gas supplies to various markets at reasonable prices.

As for the developments of the gas industry and its repercussions on the Arab region, he indicated that the demand for gas continued to grow in the Arab countries, achieving a growth rate of 2.7%, due to the position enjoyed by natural gas in many sectors, especially the power sector. The Arab countries collectively achieved an exceptional growth in gas production amounting to 5.5%, thanks to the development projects implemented by several countries to boost domestic production, which was also reflected in the growth of natural gas exports of both types (LNG and via pipelines), which have grown significantly to 11.1%, due to the growth of exports from the Arab Republic of Egypt and the Republic of Algeria in particular.

The Secretary-General concluded by stating that the Secretariat General is keen on continuing follow-up of developments in the global natural gas market, by preparing studies and periodic reports related to developments in the natural gas sector, and their repercussions on Arab countries, indicating that the reports and studies of the Secretariat have become an important reference for institutions and national and regional bodies, which also receive great attention from media outlets.

Then, OAPEC Secretariat General launched presentations by a paper entitled “Natural Gas Industry Developments in the Arab Countries & the World,” presented by Eng. Wael Hamed Abdel Moati, Gas Industries Expert. The paper explained that the global reserves of natural gas amounted to about 7,055 trillion cubic feet at the end of 2021,

and that Arab countries reserves amounted to about 1967 trillion cubic feet, equivalent to about 27.4% of the total global reserves. In 2011, Arab countries’ gas exports amounted to 21 billion cubic feet/day, an increase of 2 billion cubic feet/day over 2020, constituting about 18% of the total global natural gas trade. It also showed that the volume of global trade in natural gas (through pipelines + liquefied natural gas) now meets about 30.2% of the total global demand for gas, while the rest is consumed locally in its production areas. The expert pointed out that the global trade in liquefied natural gas is growing continuously, as it now represents 42% of the total world trade, and it is expected to exceed the traditional trade of gas through pipelines before 2030.

After that, other participants in the meeting presented working papers that dealt with developments in the natural gas industry in their countries, and future plans and investments aimed at meeting the growing domestic demand for gas and export requirements. The meeting has concluded with recommendations that would enhance cooperation between member countries in developing the natural gas industry, most notably:

- Emphasizing the importance of investing in the natural gas sector in the Arab countries
- Using natural gas in all economic sectors to benefit from its economic and environmental advantages
- Boosting integration and coordination among Arab countries by supporting joint gas pipeline network projects
- Emphasizing the importance of Arab countries as a reliable, safe and sustainable supplier of natural gas to global markets



OAPEC

MAKES A SIGNIFICANT AND ACTIVE PRESENCE AT KUWAIT'S CULTURAL FESTIVAL

"KUWAIT'S 45TH INTERNATIONAL BOOK FAIR"

OAPEC Secretariat General took part actively in Kuwait's 45th International Book Fair, through its pavilion No. 8 in Hall 7 dedicated to official, diplomatic and governmental institutions. Life revived through the halls of the Kuwait International Book Fair with a massive influx of visitors eager for the return of this cultural festival, which stopped forcibly for about two years due to the COVID19 pandemic, Below is a brief coverage of the event by Ala'a Al Omran from the Media & Library Dept.



The exhibition is the first after a two-year hiatus due to the pandemic

The Minister of Information and Culture and Minister of State for Youth Affairs and Chairman of the National Council for Culture, Arts and Letters in the State of Kuwait, His Excellency Mr Abdul Rahman Al Mutairi, inaugurated the 45th edition on Wednesday, 16 November 2022, that lasted for 10 days with unprecedented momentum until the last day, Saturday, 26 November 2022.

According to official sources, about 520 publishing houses participated in the exhibition (404 publishing houses participated directly, while the rest participated through proxy) from 29 countries that displayed about 230 thousand book titles. The Republic of Italy was chosen as the guest of honour for this year's edition. Italy conducted various activities, including cultural lectures and workshops for adults and children.

OAPEC Pavilion

OAPEC Representatives at the pavilion were keen to respond to the public's inquiries, which varied



between general and specialized questions. A number of OAPEC engineers were also available to answer specialized inquiries. The pavilion was designed to be comfortable for visitors and interactive with the public, with the ease of displaying OAPEC publications that helped visitors to find what they wanted swiftly and easily. A screen was also set up to allow visitors to see the latest OAPEC projects, which is the OAPEC Digital Library project, with the opportunity to register and benefit from its services.

Visitors flocked to acquire the organization's publications, which varied between the various issues of OAPEC Monthly Bulletin, specialized studies, and OAPEC Energy Glossary.

OAPEC Pavilion hosts VIP visitors

A number of officials visited the OAPEC pavilion at Kuwait's International Book Fair. The pavilion received the Minister of Information and Culture and the Minister of State for Youth Affairs and Chairman of the



National Council for Culture, Arts and Letters in the State of Kuwait, His Excellency Mr Abdul Rahman Al Mutairi, who listened to a brief explanation about OAPEC's Digital Library, was given by Mr Abdul Fattah Dandi Director of Economic Department and Supervisor of Media and Library Department. HE Al Mutairi praised OAPEC's efforts in this regard.

The pavilion also received the

Undersecretary of the Ministry of Oil in the State of Kuwait and its Representative at OAPEC Executive Bureau, His Excellency Sheikh Dr Nimr Al Sabah, who praised the efforts of those in charge of the pavilion and its good organization.

The pavilion also welcomed

the Ambassador of the United Arab Emirates to Kuwait, His Excellency Dr. Matar Al Neyadi, who praised the efforts of those in charge of the pavilion.

OAPEC Pavilion & Students

OAPEC pavilion welcomed large groups of students (girls and boys) from various educational levels, ranging from kindergarten, through intermediate and secondary levels, to university and postgraduate studies. Those in charge of the pavilion were keen to respond to the inquiries of each academic stage and provide them with OAPEC publications that meet their needs.





INTRODUCTORY MEETING ON JOINT ARAB ECONOMIC REPORT 2022

OAPEC Secretariat General took part in the introductory meeting discussing the Joint Arab Economic Report 2022 drafts, held at the headquarters of the Arab Fund for Economic and Social Development, on 19-21 December 2022. Representatives from the Arab League Secretariat General, the Arab Monetary Fund, and the Arab Fund for Economic and Social Development took part in the meeting. Mr Abdul Fattah Dandi, Director of the Economic Affairs Department and Supervisor of Media and Library Department; and Dr Sofiane Oudjida, Senior Economist from the same department, represented OAPEC Secretariat General at the meeting.

During the meeting, the contents of the report chapters have been discussed. The chapters' structures have been approved according to the formats presented by the institutions that prepare them. OAPEC Secretariat General prepares Chapter 5 on



energy developments (covering Arab and world exploration and reserves; energy demand; world oil inventories (commercial and strategic); crude oil and gas and petroleum products prices; oil and gas exports; Arab oil exports value and their implications for Arab economies). OAPEC also prepares the section on hydrocarbon industries in chapter 4 covering the industrial sector. It was agreed that the pivotal chapter for 2023 report will be on the "Reality and Challenges of the Circular Carbon Economy in the Arab Countries."



RIYADH ARAB-CHINA SUMMIT FOR COOPERATION AND DEVELOPMENT ISSUES FINAL COMMUNIQUÉ



Riyadh, December 09, 2022, SPA -- The final communique of the Riyadh Arab-China Summit for Cooperation and Development was issued, as follows: Riyadh Declaration - The First Arab-China Summit Riyadh 15/5/1444 AH corresponding to 9/12/2022. At the invitation of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, the leaders of the Arab member states of the Arab League and the People's Republic of China held the first Arab-China Summit, on 9/12/2022, in Riyadh, Saudi Arabia, with the aim of developing relations between the two sides in various fields.

And to strengthen the bonds of joint cooperation, upgrade the strategic partnership relations between the Arab and Chinese sides, value the historical ties between our peoples, and the rich interactions between our two ancient civilizations, and the strong friendship between our countries, and recalling the founding documents of the Arab-China Cooperation

Forum, since its establishment in Cairo, in 2004, which has added a distinctive feature it made it a success story in multilateral international cooperation, and the joint declaration on the establishment of strategic cooperation relations between the Arab countries and the People's Republic of China within the framework of the forum that was launched in 2010, in Tianjin, and the ten-year development plan of the Arab-China Cooperation Forum for the period from 2014 - 2024, that was signed in 2014, and the Beijing Declaration and the Arab-China Executive Declaration on the "Belt and Road" initiative, which were signed in 2018, and based on the common desire to upgrade the Arab-Chinese strategic partnership relations to broader horizons, and to push the existing cooperation between us towards a higher level of progress, in a way that serves our common interests, and enhances our development efforts to deal with the challenges of the new era, and contributes to achieving our



common aspirations, and ensuring the future of the emerging generations, and out of our belief that stability and prosperity are inseparable, there is no true peace without sustainable development, and there is no development and prosperity without security, peace and stability.

After the high-level consultations that we held regarding cooperation between our two sides, and taking into account the recent developments on various regional and international issues, we have agreed on the following:

1. Confirming our common keenness to strengthen the strategic partnership between the Arab countries and the People's Republic of China based on comprehensive cooperation and common development for a better future, as a model for friendly relations and friendly cooperation, and work to deepen Arab-Chinese cooperation in various fields through existing mechanisms within the framework of the Arab-

China Cooperation Forum, enhancing the role of this forum in advancing development efforts and relations between our countries towards broader horizons.

2. Reaffirming our countries' firm commitment to the principles and purposes of the UN Charter, including the principles of mutual respect for the sovereignty, territorial integrity and territorial integrity of states, refraining from using or threatening to use force in international relations, respecting the principle of good neighborliness, and non-interference in the internal affairs of states.
3. Working to preserve the international order based on international law, multilateral action, promoting the principles of cooperation, solidarity, justice and fairness in international relations, preserving the interests of developing countries and defending their rights.
4. Emphasizing that the Palestinian cause remains a central issue in the Middle East, which requires finding a just and lasting solution to it on the basis of the two-state solution, through ending the Israeli occupation of the Palestinian territories, and establishing an independent Palestinian state on the 1967 borders with East Al-Quds as its capital, in accordance with the UN relevant resolutions, in this context, emphasizing the illegality of Israeli settlements in the occupied Palestinian and Arab territories, the invalidity of Israel's unilateral practices aimed at changing the status quo in Al-Quds, emphasizing the need to preserve the historical and legal status of occupied East Al-Quds, and the importance of the role of the historical Hashemite tutelage the Islamic and Christian sanctities in Al-Quds in protecting the sanctities and its Arab identity, stressing also the importance of the role of the UN Relief and Works Agency for Palestinian Refugees (UNRWA) and the need to support it to enable it to fulfill its UN mandate, and the need to implement international legitimacy resolutions related to refugees and the protection of



Palestinian civilians, and the call for convening an international peace conference with broader participation, more credibility, greater influence, and appreciation of four points put forward by President Xi Jinping of the people's Republic of China to solve the Palestinian cause, and a series of initiatives and visions put forward by the Chinese side on the Palestinian cause, and the appreciation of the people's Republic of China's standing on the side of truth and justice in the Palestinian cause, and its unrelenting efforts to advance the peace process, and its support for the Palestinian side to improve people's livelihood, economic development, humanitarian aid provided to the Palestinian side, and work for the state of Palestine to obtain full membership in the United Nations.

5. Considering and appreciating the Chinese endeavors to contribute to the spread of international peace and development, including the high-level dialogue for global development through the two initiatives of Chinese President Xi Jinping, which are the global security and global development initiatives, which call on the international community to pay attention to development files and re-advance issues of development in the world. In addition to emphasizing the importance of adhering to the concept of common, comprehensive, cooperative and sustainable security, the two sides are keen to push together cooperation in priority areas within the framework of the Global Development Initiative, and to contribute to accelerating the implementation of the United Nations Agenda for Sustainable Development 2030.
6. Agreeing to work with all efforts to build the Arab-Chinese community for a common future towards the new era, to strengthen solidarity and cooperation between the Arab countries and the People's Republic of China, to support the achievement of the nation's renaissance for each of them, to promote peace and development in the region, to preserve international justice and fairness, and to contribute to the establishment of a society common future for mankind.

7. Confirming the determination to continue political consultation and exchange of support between the two sides on issues related to their core interests and major concerns, and to enhance solidarity between them in various international forums on global issues of common concern.
8. Emphasizing the firm commitment of the Arab countries to the principle of one China, their support for the People's Republic of China's efforts to preserve its sovereignty and territorial integrity, reaffirming that Taiwan is an integral part of Chinese territory, rejecting Taiwan's "independence" in all its forms, and supporting the Chinese position in the Hong Kong file and supporting the People's Republic of China's efforts to maintain national security and develop and perfect democracy in Hong Kong within the framework of one country, two systems. And appreciating the important efforts made to care for minorities on both the Arab and Chinese sides.
9. Enhancing exchanges between the People's Republic of China and the Arab countries in various dimensions and levels, and concerting efforts to face common development challenges.
10. Emphasizing the importance of concerted regional and international efforts to find political solutions to regional crises and issues in accordance with the resolutions of international legitimacy and relevant agreements and references, especially the crises in Syria, Libya and Yemen, and emphasizing the need to preserve the unity, sovereignty and territorial integrity of these countries, while emphasizing the rejection of interference in foreign affairs in these countries, and the need for joint action to confront terrorist and extremist organizations that operate on their lands, and support the efforts made by Lebanon, Somalia and Sudan to achieve security, stability, development, prosperity, and combat terrorism, and support the efforts of the United Nations and the League of Arab States in this regard. The Chinese side affirmed its support for the Arab countries to solve security issues in the region through solidarity and cooperation, and its support for the Arab peoples to explore their own development paths with their independent will. The Arab side appreciated the efforts made by Chinese diplomacy to support Arab issues to find peaceful solutions to crises in the region, in a way that enhances peace and security at the regional and international levels.
11. Supporting efforts to find a political solution to the Ukrainian crisis and restoring peace and security in accordance with international law, the principles of the United Nations Charter, the principles of good neighborliness, and the sovereignty and territorial integrity of states, in a way that guarantees the fundamental interests of all parties.
12. Respecting the choice of countries for their

development visions by their independent will, and emphasizing the importance of joint cooperation to achieve sustainable development, reduce and eliminate poverty, participate in the implementation of the “Belt and Road” initiative, and the promising opportunities it provides for cooperation and development, and work to harmonize this initiative with the development visions of the Arab countries in a way that achieves common interest and mutual benefit.

13. Enshrining the common values of humanity represented in peace, development, fairness, justice, democracy and freedom, and respecting the right of the peoples of the world to choose ways to develop democracy and social and political systems that are commensurate with their national conditions with their independent will, and refusing to interfere in the internal affairs of states under the pretext of preserving democracy.
14. Emphasizing the importance of international cooperation in the field of human rights being based on equality and mutual respect, and rejecting the politicization of human rights issues and using them as a tool to put pressure on states and interfere in their internal affairs.
15. Enhancing international efforts within the framework of the United Nations to combat climate change, including the United Nations Framework Convention on Climate Change and the Paris Agreement within its framework, and supporting initiatives aimed at achieving green development, including Saudi Arabia’s Green Middle East initiative and China’s Green Silk Road initiative.
16. Emphasizing the importance of the international community avoiding excluding major energy sources or neglecting investment in them, which leads to challenges in energy markets and an unequal impact, especially on developing societies and countries, with the need to adopt a “balanced approach” policy to promote global economic growth, which is closely linked to energy security and availability by taking advantage of various energy sources, and applying circular carbon economy solutions to reach zero neutrality and build sustainable communities.
17. Praising the assistance provided by the People’s Republic of China to some Arab countries, and to the General Secretariat of the League of Arab States, in terms of assistance to combat the Corona pandemic (Covid 19), including vaccines and medical supplies, and stressing concerted efforts and cooperation for economic recovery in the post-pandemic stage.
18. Taking note of the “Cooperation Initiative between the League of Arab States and the People’s Republic of China on data security” jointly issued by the General Secretariat of the League of Arab States and the Chinese side, and keen to seize this opportunity to continue

deepening cooperation and pushing together for global cyberspace governance.

19. Supporting efforts aimed at preventing the spread of nuclear weapons and other weapons of mass destruction, in accordance with the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) as the cornerstone of the international system for non-proliferation, and stressing the importance of freeing the Middle East from weapons of mass destruction.
20. Strengthening efforts to combat terrorism, condemning terrorism in all its forms, images and motives, and the need to combat it and not link it to any race, religion, nationality or civilization, uprooting its roots and drying up its sources, in addition to rejecting “double standards” in combating terrorism.
21. Promoting dialogue among civilizations and respecting different cultures, rejecting claims of hatred, extremism and clash of civilizations between followers of religions and cultures, emphasizing opposition to Islamophobia in all its forms, and emphasizing that the Arab and Chinese civilizations have made unique contributions to the progress of human civilization and are keen to continue calling for dialogue and communication between civilizations, preserving global cultural diversity, rejecting discrimination and prejudice against a particular civilization, and rejecting the theory of the clash of civilizations.
22. Emphasizing the importance of consolidating Arab-Chinese friendship at the popular level in various cultural, sports, tourism and media fields.
23. Assigning our ministries and institutions to work on putting the directives of this summit into practice, through the executive programs of the Arab-Chinese Cooperation Forum and the various other mechanisms of the forum, emphasizing the importance of continuing cooperation in the next stage in various political, economic, social and development fields, including the fields of economy, trade, investment, industry, transportation, energy, environmental protection, agriculture, food security, tourism, human resources development, intellectual property, culture, dialogue of civilizations, education, scientific research and science, technology, media, health and sustainable development, sports and others.
24. Expressing sincere thanks and appreciation to the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud, and to His Royal Highness Prince Mohammad bin Salman bin Abdulaziz, Crown Prince and Prime Minister, for the Kingdom of Saudi Arabia’s hosting of this historic summit and the Chinese side’s welcome to hold the next Arab-Chinese summit in the People’s Republic of China, with a date to be determined in consultation between the two sides.
--SPA



KUWAIT, SAUDI ARABIA SIGN MOU ON DURRA GAS FIELD

KUWAIT, Dec 11 (KUNA) -- The Kuwait Gulf Oil Company (KGOC), a subsidiary of the Kuwait Petroleum Corporation (KPC), signed on Sunday 11 December 2022, a Memorandum of Understanding (MoU) with Saudi Aramco Gulf Operations Company to develop the joint Durra gas field. Kuwait's Deputy Prime Minister and Minister of Oil HE Dr Badr Al Mulla and Saudi Minister of Energy HRH Prince Abdulaziz bin Salman attended the signing ceremony.

In a press statement, Acting CEO of KGOC Khaled Al Otaibi said the memo includes procedures to develop the field that are based on implementing the provisions mentioned in the minutes of the ministerial meeting. The MoU aims to re-assess and complete engineering studies of the field project as well as form a technical team to carry out the scheme, he added.

Al Otaibi indicated that the joint Durra field development program aims to produce one billion cubic feet of natural gas per day and 84,000 barrels of liquefied gas per day. The



signing comes to implement the memo signed, on 24 December 2019, between Kuwait and Saudi Arabia governments, he said. It is also a culmination of the talks held between the two countries' officials on reaching a deal on a direct mechanism, and carrying out and developing the Durra field located in the divided area between the State of Kuwait and the Kingdom of Saudi Arabia, he stated.

KPC: DOCKING OF THE TANKER (ASHLEY LADY) AT AL ZOUR REFINERY TO LOAD THE FIRST SHIPMENT OF NAPHTHA PRODUCT



The Kuwait Petroleum Corporation and the Kuwait Integrated Petroleum Industries Company (KIPIC) announced on 18 November 2022, the reception of the tanker (Ashley Lady), which is the first tanker to reach the artificial island of Al Zour Refinery to load the first shipment of naphtha product for export to KPC customers. KIPCO spokesman Abdullah Al Ajmi told Kuwait News Agency (KUNA) that the ship will carry 55,000 tons of petrochemical naphtha, which demand is witnessing a significant increase in global markets, expressing the pride of KIPIC and the Kuwait Petroleum Corporation behind it in this second historic achievement during Ayyam, represented in the export of the first commercial shipments from the giant Al Zour Refinery. Al Ajmi said that the wheel of commercial export from Al Zour Refinery was actually launched, announcing the entry of the State of Kuwait to a new phase on the path to doubling production of high-quality petroleum derivatives, and thus increasing the national income in a way that lives up to the level of ambition and befits the great efforts made by workers in the oil sector during the last period. For his part, the managing director of global marketing at the Kuwait Petroleum Corporation, Sheikh Khaled Al Sabah, praised in a similar statement to (KUNA) the historic achievement, stressing that the economic position of the State of Kuwait as one of

the most important oil-producing countries in the world has made this historic event a qualitative and strategic leap and proved that it is a reliable partner in the global energy market. Al-Sabah noted the high level of cooperation between KPC and KIPIC, stressing the importance of constructive cooperation and continuous coordination between national oil companies, leading to more of these great economic achievements that support the state's national product and raise the level of income of the Kuwaiti citizen to the rank that befits him and his country. global level. The operation of the Al Zour refinery is an important historical event, as the Al Zour refinery project is one of the most important pillars of the country's development plan, due to the refinery's availability of quality fuel and international environmental standards to meet the local demand for energy, which will contribute to reducing emissions of gases polluting the environment and improving air quality. A vital outlet for the disposal of heavy Kuwaiti oils, as well as providing them with other products for export in international markets with standard specifications. With the anchoring of the giant naphtha tanker on the industrial island berth at Al-Zour Refinery, the Kuwait Integrated Petroleum Industries Company (KIPIC) recorded its second economic achievement in less than ten days. Two big dates in a matter of days. -- KUNA



KPC EXPORTS 1ST SHIPMENT OF AIRCRAFT FUEL FROM AL ZOUR REFINERY

Kuwait Petroleum Corporation (KPC) celebrated the exportation of the first shipment of aircraft fuel from Al Zour Refinery on Sunday 27 November 2022. The shipment is being loaded onto Pacific Sarah tanker in collaboration with Kuwait Integrated Petroleum Industries Company (KIPIC), according to a KPC press release. The shipment of the product, which meet the world standards, signals the start of the operation of the refineries' units, it noted. KPC and its subsidiaries are striving to meet the world's needs of clean fuels, open new markets for their exports, and affirm Kuwait's status as strategic and reliable energy supplier.



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ADNOC DRILLING ANNOUNCES STRONG RESULTS FOR THE NINE MONTHS TO SEPTEMBER 2022 WITH SIGNIFICANT NET PROFIT GROWTH OF 24% TO \$568 MILLION



ADNOC Drilling Company PJSC announced its financial results for the nine months and third quarter ended 30 September 2022.

ADNOC Drilling's net profit for the nine-month period grew significantly, by 24% to \$568 million, while revenue increased 15% to \$1.94 billion compared to the same period last year. Nine-month EBITDA was \$879 million for 2022, up 12% year-on-year, at an industry-leading EBITDA margin of 45.3%.

Year-on-year revenue growth was led by the Onshore segment, with ADNOC Drilling positioned as a key enabler of ADNOC's ambitious program to significantly boost production capacity. The Company's Oilfield Services ("OFS") segment equally achieved very strong year-on-year gains.

Third quarter revenue grew 17% year-on-year to \$671 million, driven primarily by the



Onshore and OFS segments. Third quarter EBITDA increased by 5% year-on-year to \$299 million for the period. Net profit for the third quarter grew by 6% year-on-year to \$189 million.

Abdulrahman Abdullah Al Seiri, Chief Executive Officer of ADNOC Drilling, commented: "Our strong nine-month results were underpinned by the consistent execution of our strategic priorities as we continue to prove our value as a reliable and efficient operator and fast-growing drilling

leader. Our accelerating rig fleet expansion program is a prime example. Supporting the UAE's long-term production capacity targets, the program is already paying off as new rigs commence operations. A significant number of additional rigs are scheduled to come onstream in the fourth quarter, further boosting our

**ROBUST FINANCIAL AND OPERATING PERFORMANCE CONTINUES INTO THE THIRD QUARTER
FOR ADNOC DRILLING AS IT CELEBRATES FIRST ANNIVERSARY SINCE LISTING ON ADX**

financial and operating performance as we head towards 2023 and continued shareholder value creation.

“Sustainability continues to be a major focus as we deliver on our commitment to reduce and, where possible, eliminate emissions from our operations. We are also partnering with our customers to support their sustainability goals. An example is the recently delivered 50,000ft extended reach well for ADNOC Offshore in the giant Zakum field, tapping into an undeveloped part of the reservoir. This well helps unlock an additional production capacity of 15,000 barrels per day and achieves this without the need for further costly infrastructure and with minimal environmental footprint, and is the world’s longest extended reach well. Such pioneering drilling engineering achievements, reinforce ADNOC Drilling’s prime position in the drilling and completion services industry.”

On 3 October 2022, ADNOC Drilling celebrated one year since listing on the Abu Dhabi Securities Exchange (ADX). At the time, the initial public offering was the largest listing in the history of the exchange and was 31 times oversubscribed. Since listing, the Company has delivered a total shareholder return of 53.7% as at 30 September 2022.

Al Seiyari concluded: “As we celebrate our first anniversary as an ADX-listed company, we are proud of the value we have created for shareholders, with our progressive dividend policy having distributed \$666.25 million to investors since listing. At the same time, we have added more than \$13 billion of contract backlog, achieved strong top- and bottom-line growth, and expanded our owned rig fleet from 95 to 108. We are excited for the year ahead, and look forward to continued growth in 2023 and beyond.”

Strong Growth for Onshore and OFS; Offshore Performance Stable

Onshore: Revenue for the nine-month period was \$1,074 million, up 27% year-on-year, largely driven by new rigs joining the fleet. 3Q 2022 revenue was \$372 million, up 33% year-on-year.

Offshore Jackup: Revenue for the nine-month period was \$431 million, broadly flat

INDUSTRY-LEADING FLEET UTILIZATION SUPPORTS NINE-MONTH REVENUE GROWTH OF 15% YEAR-ON-YEAR, TO REACH \$1.94 BILLION

CONTINUED GROWTH IS UNDERPINNED BY MARGIN-ENHANCING FLEET EXPANSION PROGRAM, WITH NINE NEW RIGS ADDED SO FAR IN 2022

versus the prior year. 3Q 2022 revenue was \$143 million and, due to planned maintenance, down 9% year-on-year. During the third quarter, ADNOC Drilling was awarded two contracts at a combined value of \$3.4 billion to provide eight jack-up rigs to ADNOC Offshore.

Offshore Island: Revenue for the nine-month period was \$153 million, similar to 2022. 3Q 2022 revenue of \$52 million was down 14% year-on-year due to a one-off claim concluded and recognised in 3Q 2021. During the third quarter, ADNOC Drilling was awarded a \$711 million contract for the provision of four Island Drilling Units for up to ten years for ADNOC’s Hail and Ghasha Development Project.

Oilfield Services (OFS): The OFS segment performed very well in the nine-month period, with revenue of \$282 million, up 22% year-on-year, driven by higher activity from continued expansion, with healthy margin development. 3Q 2022 revenue was \$103 million, up 40% year-on-year. During the third quarter, the OFS business was awarded contracts totalling \$1.3 billion by ADNOC for the Hail and Ghasha Development Project, to provide integrated drilling services and fluids for up to ten years. In addition, OFS was awarded a \$23 million contract by ADNOC Onshore for up to five years’ supply of production chemicals; as well as a four-year \$2 million well head maintenance contract by Al Dhafra Petroleum.

The Company has accelerated its rig fleet expansion program during the course of 2022, and in the third quarter signed two sale and purchase agreements to acquire a further three premium jack-up drilling units for \$210 million.



APICORP: WOMEN'S PARTICIPATION IN DECISION MAKING IS CRUCIAL IN THE MENA REGION'S FIGHT AGAINST CLIMATE CHANGE

Boardrooms that have the benefit of diverse opinions from women leaders, minority and ethnic groups, are expected to have an edge over competition when it comes to climate action. This is according to a study commissioned by Arab Petroleum Investments Corporation (APICORP), an OAPEC joint venture, in collaboration with 30% Club, The American University in Cairo (AUC) and Arabian Business.



With the MENA region hosting COP 27, the study examines the role of women's leadership in tackling climate change from leading voices across different sectors, offering a call to action for corporates to achieve diversity at the decision-making table. It proposes practical solutions including mentoring, offering accelerator programs, and networking events which are helping women break the glass ceiling and gain access to decision-making roles.

Raeda Al Sarayreh, Director, Corporate Communications and Outreach, Arab Petroleum Investments Corporation (APICORP) commented: "Despite the recent momentum behind gender equality, there is a need for more women representation in conversations shaping boardroom agendas. Our study reiterates the crucial importance of increasing the representation of women in boardrooms in driving corporate performance along with accelerating capabilities to fight against climate change. With COP 27 and 28 taking place in the MENA region, it is important that all stakeholders collaborate and formulate policies that encourage diversity."

Catherine MacGregor, CEO ENGIE, said:

"Change can come only when conscious steps are taken, and more women are encouraged to gain access to the decision-making table. There is no denying that a wider representation of women in parliament and likewise in the private sector could have a significant impact on policymaking and ensure greater responsiveness to everybody's needs. Diverse perspectives and ways of thinking are necessary to face the complexity and instability of the current world. We need all talents and not only half of the population to succeed in the fight towards a sustainable economy."

Connecting diversity and climate target priorities could accelerate transition to net zero emissions

The study highlights the need for businesses to include female representation in their organizations if they are serious about meeting net-zero carbon emissions by 2050. Despite commendable initiatives around gender diversity in the MENA region, industry data suggests that over USD 575 billion is lost annually due to legal and social barriers that exist for women's access to jobs and they are often excluded from many high-level government and corporate discussions on climate related issues. Global research has

also proven that businesses can attain optimal outcomes when management teams have a gender ratio of 40 percent to 60 percent of women within the work setting. Therefore, women perspective and actions on climate change can be key to accelerating the goal of reaching net zero.

Female investors and policymakers are twice as likely to consider ESG compared to their male counterparts

According to the study, on the corporate and public level, female investors and policymakers are twice as likely to consider ESG investing as compared to their male counterparts. In a review of over 15 studies conducted in different parts of the world, it was found that the presence of women in conservation and natural resource management resulted in stricter and more sustainable extraction rules, greater compliance, more transparency and accountability, and better conflict resolution.

Catherine MacGregor, CEO, Engie, revealed that her organization has been pursuing a Fifty-Fifty program, which aims to create the necessary conditions to achieve managerial parity by 2030. She said: "While rethinking how we want to be led as a group, Engie has instituted various new training and coaching programs, reviewed policies such as monitoring equal pay, and promoted networking events to ensure that we meet our target for gender parity within this decade."

Closing gender gap is more important than ever

Women, girls and marginalized communities are significantly impacted by climate change, and they must be involved in the design and implementation of climate response actions to ensure the equal sharing of benefits. In the region, UAE and Egypt are prime examples of women leading the fight against climate change at the highest level. For instance, Egypt's Minister of Environment, Yasmine Fouad, was the lead author on a chapter of the Intergovernmental Panel on Climate Change's special report on desertification in 2017 and co-chaired finance talks at COP 26.

Similarly, in the UAE, the government has been taking conscious steps to promote gender equality and access of women to leadership roles. Today, about 53 percent of the UAE's total workforce consists of women, around two-third government jobs are held by women. In the government, a third of the portfolios are with women.

Gender diversity on boards can boost an organization's performance

Organizations with strong female representation at board and top-management levels perform better than those without, and that gender-diverse boards have a positive impact on performance, says Dr. Ghada

CONNECTING DIVERSITY AND CLIMATE TARGET PRIORITIES COULD ACCELERATE TRANSITION TO NET ZERO EMISSIONS

FEMALE INVESTORS AND POLICYMAKERS ARE TWICE AS LIKELY TO CONSIDER ESG COMPARED TO THEIR MALE COUNTERPARTS

Howaidy, Associate Dean Executive Education at American University in Cairo, and founder of the Women on Boards Observatory.

Dr. Howaidy added: "Diversity is important because it means that we would look at issues such as ESG with a different perspective. A diverse boardroom would be better equipped to face challenges thrown by climate change or other risks."

Supporting her views, Ann Cairns, Global Chair of the 30% Club and Executive Vice Chair of Mastercard, said: "In the UK, we're now at 40 percent women on the boards of the FTSE 100 and we are on course to reach parity in the next few years. However, there are many countries where the percentage of female board members has only just reached double digits. There is much more work still to do to achieve gender equality in business."

Supporting women's mentorship programs and networking events can move the needle on equality

According to the study, networking groups are playing an inspiring role in empowering women and encouraging them to have a vision for their success. Similarly offering women access to mentorship programs can help pave their path towards career growth. These programs can be replicated throughout the region through local chapters or indigenous clubs. For instance, Women on Boards Observatory Egypt, the 30% Club, and Aurora50 are programs that are helping groom women for successful careers.

Farah Foustok, CEO of Lazard Asset Management GCC and founder of the 30% Club MENA, concluded: "One of the biggest impediments to the career progression of women is legacy structures and practices in organizations. In our MENA office, we have almost 50 percent women, with 25 percent in leadership roles. We believe in identifying the need for mentorship and in having female mentors to help accelerate the personal and professional development of our young female workforce."



Monthly Report on Petroleum Developments in The World Markets

Monthly Report on Petroleum Developments in the World Markets

December 2022

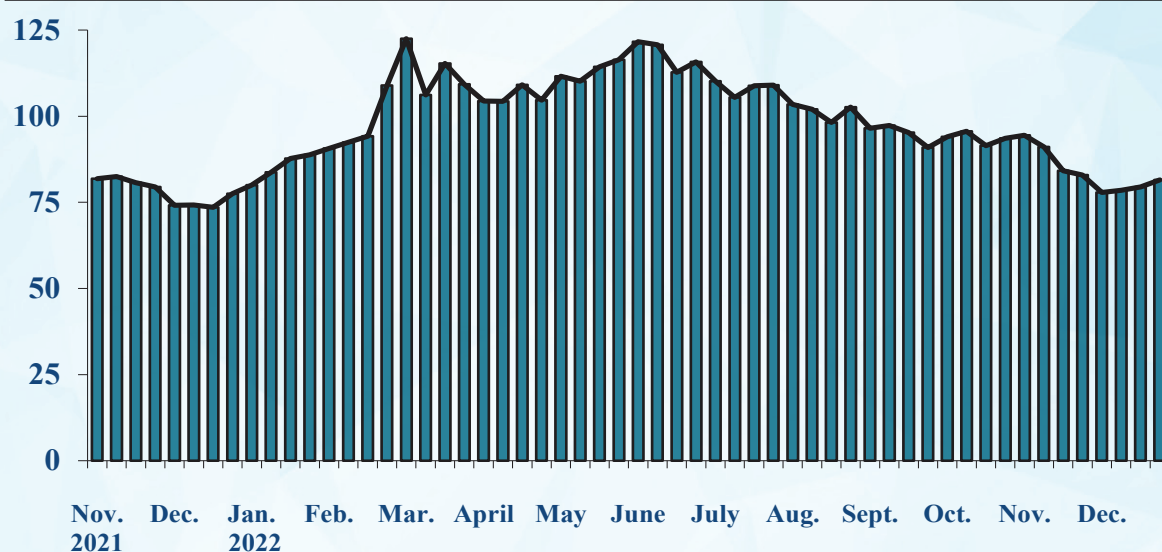
First: World Oil Markets

1. Oil Prices

OPEC primary estimates indicate that OPEC Reference Basket price decreased in December 2022 by 11.2% compared to the previous month, to reach \$79.7/bbl. While annual price of OPEC Basket is estimated to increase in 2022 by 43.2% compared to 2021, to reach \$100.1/bbl.

It's worth mentioning that, OPEC Reference Basket decreased in November 2022 by 4.2% or \$3.9/bbl compared to the previous month, to reach \$89.7/bbl. This is mainly attributed to heavy sell-offs in futures markets amid growing concerns about demand in China due to rising COVID-19 cases, in addition to slowdown in buying interest from European and Asia-Pacific refiners.

Weekly Average Spot Prices of OPEC Basket of Crudes, 2021-2022 (\$/bbl)



Source: OPEC, Monthly Oil Market Report, Various issues.

2. Supply and Demand

- Primary estimates indicate that world oil demand is increased in Q4 2022 by 1.6% compared with previous quarter, to reach 101.1 million b/d. As demand in OECD countries increased by 0.5% to reach 46.9 million b/d. And demand in Non-OECD countries increased by 2.6% to reach 54.2 million b/d.

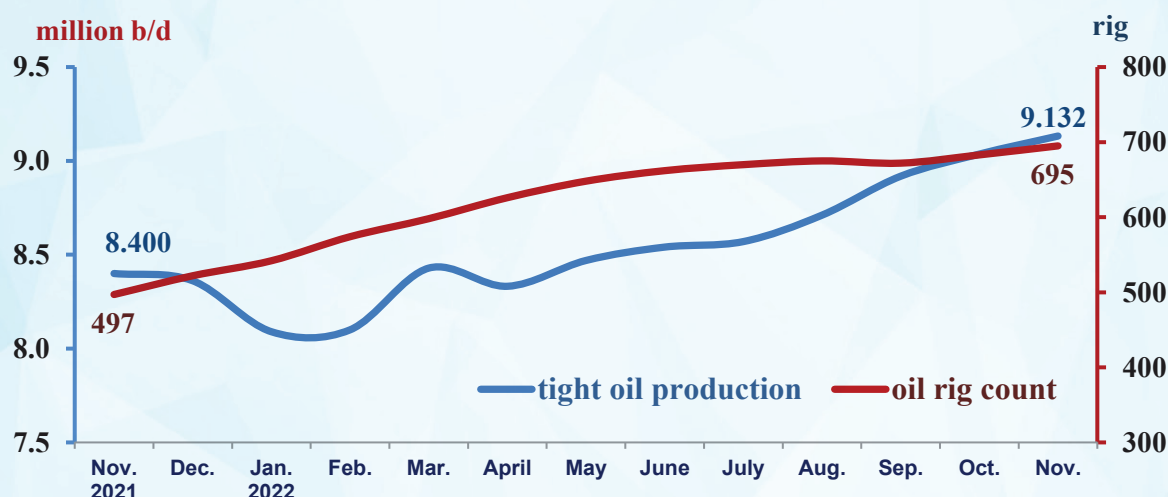
Projections indicate that world oil demand is expected to decrease in Q1 2023 to reach 100.9 million b/d. As Demand in OECD countries is



expected to decrease to reach 46.1 million b/d. Whereas demand in Non-OECD countries is expected to increase to reach 54.8 million b/d.

- Primary estimates indicate that **world** crude oil and NGLs/non-conventional supply in November 2022, decreased by 0.2% to reach 100.8 million b/d. OPEC supply decreased by 2.1% to reach 34.2 million b/d, whereas Non-OPEC supplies increased by 0.8% to reach 66.6 million b/d.
- **OPEC+** crude oil supply in November 2022, is decreased by 426 thousand b/d, or 1.1% comparing with previous month level to reach 39.9 million b/d. The supplies of Non-OPEC supplies, which are members in OPEC+, increased by 1.7% to reach 15.4 million b/d, whereas the supplies of OPEC-10 supplies, which are members in OPEC+, decreased by 2.7% to reach 24.5 mb/d.
- US tight oil production increased in November 2022 by 96 thousand b/d compared to previous month level to reach 9.132 million b/d. Production is expected to continue rising in December 2022 and January 2023 to reach 9.318 million b/d. On other development, US oil rig count increased in November 2022 by 12 rigs, to stand at 695 rigs.

US tight oil production and oil rig count

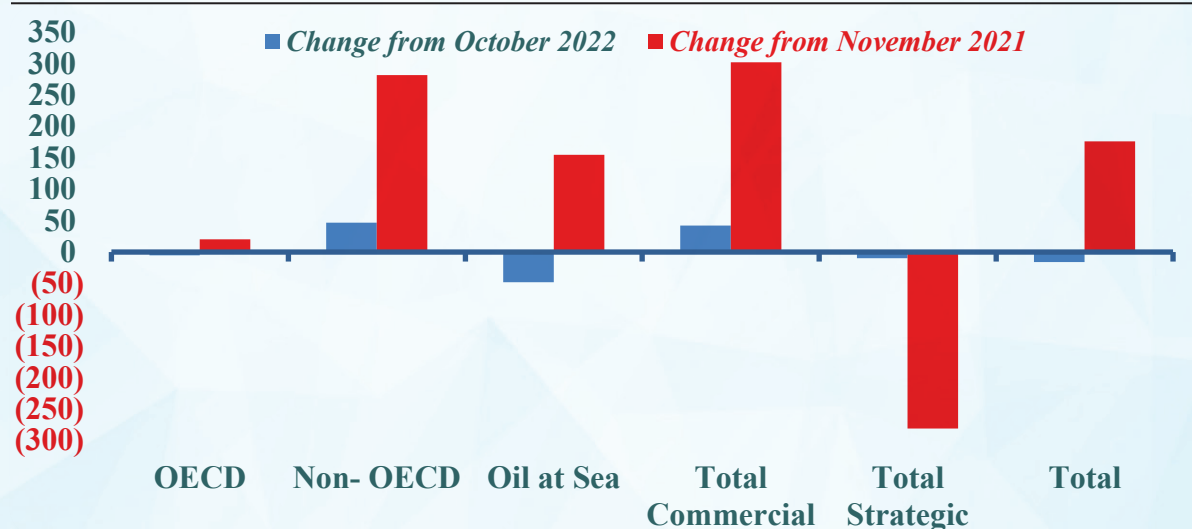


Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions Dec. 2022.

3. Oil Inventories

- OECD commercial inventories in November 2022 decreased by 5 million barrels from the previous month level to reach 2760 million barrels, and strategic inventories decreased by 10 million barrels from the previous month level to reach 1511 million barrels.

Change in Global Inventories at the End of November 2022 (million bbl)



Source: Oil Market intelligence, February and December 2022.

4. Oil Trade

US Oil Imports and Exports

- US crude oil imports in November 2022, increased by 3.1% from the previous month level to reach about 6.3 million b/d, and US crude oil exports increased by 3.2% to reach about 4.1 million b/d.
- US petroleum products imports in November 2022 increased by 1.7% from previous month level to reach about 2 million b/d, and US petroleum products exports increased by 2% to reach 6.2 million b/d.

Second: Natural Gas Market

1. Prices

- The average spot price of natural gas at the Henry Hub decreased in November 2022 to reach \$5.45/million BTU.
- The price of Japanese LNG imports in October 2022 decreased by \$1.72/m BTU to reach \$20.43/m BTU, and the price of Korean LNG imports decreased by \$4.29/m BTU to reach \$23.89/m BTU. Whereas the price of Chinese LNG imports increased by \$0.92/m BTU to reach \$18.69/m BTU, and the price of Taiwan LNG imports increased by \$4.26/m BTU to reach \$25.86/m BTU,

2. Exports

Arab LNG exports to Japan, South Korea and Taiwan were about 3.176 million tons in October 2022 (a share of 20.9% of total imports).

Tables Annex



ANNOUNCEMENT

OAPEC AWARD

FOR SCIENTIFIC RESEARCH FOR THE YEAR 2022

In line with OAPEC'S policy to encourage scientific research by awarding two prizes on a biennial basis (**First Prize** KD 7000-10000 equivalent to USD \$23000-\$32500, **Second Prize** KD 5000 equivalent to USD \$16000), upon the resolution number 1/162 of OAPEC Executive Bureau at its meeting dated **18 May 2022**. **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 2022" is:

Decarbonization Techniques in the Petroleum Industry and the Circular Carbon Economy "CCE"





**Organization of Arab Petroleum Exporting Countries (OAPEC)
OAPEC AWARD FOR SCIENTIFIC RESEARCH FOR THE YEAR 2022**

**In the Field of
Decarbonization Techniques in the Petroleum Industry and the
Circular Carbon Economy "CCE"**

Statement of relinquishment of printing and publication rights for the research

I, the undersigned:

Hereby undertake to relinquish all printing and publication rights of the research submitted by me entitled:

to the Organization of Arab Petroleum Exporting Countries (OAPEC), in the event of winning one of the two prizes of OAPEC Award for Scientific Research for the year 2022.

Name:

Signature:

Date: / /