



OAPEC

Vol. 48 No. (1) JANUARY 2022

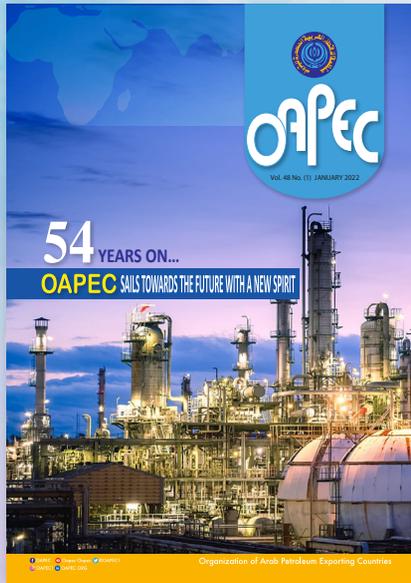
54 YEARS ON...

OAPEC SAILS TOWARDS THE FUTURE WITH A NEW SPIRIT





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.



54 YEARS ON...

OAPEC SAILS TOWARDS THE FUTURE WITH A NEW SPIRIT



By HE Ali Sabt Ben Sabt
OAPEC Secretary General

OAPEC celebrates its 54th anniversary these days while looking forward to the future with a new spirit that embraces the current variables and accelerating developments, especially in connection to the petroleum industry. It does so with the guidance of its role activation plan endorsed by OAPEC Council of Ministers in December 2020.

The purpose behind the establishment of the Organization has always been to achieve the aspirations of its member countries in boosting petroleum cooperation and exchanging expertise amongst them, with the aim of realising common economic

interests and benefits, and contributing to the member countries' economic and social development efforts.

While working on materializing these goals in reality, OAPEC made its most significant success through the establishment of a number of Arab petroleum joint ventures that represent the joint Arab action vision. These JVs have won, not just Arab, but also international recognition due to the vital services they deliver. OAPEC joint ventures include: Arab Maritime Petroleum Transport Company (AMPTC) established in 1972 (headquartered in Kuwait City, Kuwait);

Arab Shipbuilding and Repair Yard Company (ASRY) established in 1973 (headquartered in Manama, Bahrain); Arab Petroleum Investments Corporation (APICORP) established in 1974 (headquartered in Al Khobar, KSA); Arab Petroleum Services Company (APSCO) established in 1975 (headquartered in Tripoli, Libya); in addition to the Arab Petroleum Training Institute (APTI) established in 1978 (headquartered in Baghdad, Iraq). These JVs have contributed actively in boosting the progress of the Arab petroleum industry through executing and funding joint or individual projects in many OAPEC and non-OAPEC Arab countries.

On international level, OAPEC has been working on strengthening its ties with numerous regional and international organisations specialized in energy and economy. This is in order to make its member countries' stances clear in terms of current developments and future prospects relevant to the energy industry, especially petroleum. The Organisation also follows up closely current global petroleum developments to observe their potential impacts on the economies of its member countries. This is done through conducting technical and economic studies covering petroleum and gas industries (about 10 studies per year). OAPEC is also keen on monitoring UNFCCC and Kyoto Protocol developments, upon the directives of OAPEC Council of Ministers, in order to explain the member countries' stances on these issues. This is done in coordination with the Arab Negotiating Group, the Arab League, and OPEC, as coordinating meetings take place to discuss draft resolutions and issues under negotiation to ensure no resolutions with negative impact on the member countries' economies are made by the Conference of the Parties (COP).

On another note, OAPEC's endeavours to serve the petroleum industry have always been a matter of global appreciation throughout its long journey. Most recently, OAPEC won a prestigious award presented by Standard & Poor's Global Platts Agency for the year 2021 (S&P Global Platts), at the 23rd Annual S&P Global Platts Global Energy Awards, often described as the "Oscars" of energy.

Moreover, the Arab Shipbuilding and Repair Yard Company (ASRY), an OAPEC joint venture, has won the Shipbuilding and Ship Repair Award at the prestigious Seatrade Maritime Awards MEISA (Middle East, Indian Sub-continent & Africa) 2021 ceremony, held in December 2021 in Dubai, UAE.

Forecasts point out to continued recovery of the global economy with a positive impact on the oil market during 2022 in spite of the current inflation wave, supply chain bottlenecks, ongoing commercial disputes and their impacts on industry fuel and transport with the growing global demand for oil in 2022 (whereas COVID-19 mutations' impact would dwindle and weaken and the world is far more ready to manage the pandemic). While celebrating its establishment anniversary, OAPEC Secretariat General underscores making the utmost use of the above global variables to deliver on its goals and continue to seek means of strengthening cooperation between its member countries. We reiterate to continue creating the opportunities for joint Arab action through introducing new ideas on joint ventures, training opportunities, exchange of expertise, organizing of conferences and coordinating meetings for its member countries in the new year.

Wishing you all a Happy New Year.



CABLES OF CONGRATULATIONS ON OAPEC'S 54TH ANNIVERSARY







OAPEC Secretary General, HE Ali Sabt Ben Sabt, sent a cable of congratulations to HE Dr Mohammed Al Fares, on his appointment as Kuwait's Deputy Prime Minister, Minister of Oil, and Minister of Electricity and Water and Renewable Energy, wishing him all success.







OAPEC Secretary General, HE Ali Sabt Ben Sabt, sent a cable of congratulations to Bahrain's Oil Minister and Chairman of the Arab Shipbuilding and Repair Yard Company (ASRY), HE Sheikh Mohammed bin Khalifa Al Khalifa, on the occasion of ASRY's winning of the Shipbuilding and Ship Repair Award of the prestigious Seatrade Maritime Awards MEISA (Middle East, Indian Sub-continent & Africa) 2021.



Algeria's Representative at OAPEC Executive Bureau, HE Dr Miloud Medjelled, sent a cable of congratulations to OAPEC Secretary General, HE Ali Sabt Ben Sabt, on the occasion of OAPEC's 54th Anniversary.



Kuwait's Oil Ministry Undersecretary and its Representative at OAPEC Executive Bureau, HE Sheikh Dr Nimr Al Sabah, sent a cable of congratulations to OAPEC Secretary General, HE Ali Sabt Ben Sabt, on the occasion of OAPEC's 54th Anniversary.



VISITS



OAPEC Secretary General, HE Ali Sabt Ben Sabt, received at his office on 13 January 2022, OPEC Secretary-General-elect, HE Haitham Al Ghais. HE Al Ghais has been informed about OAPEC activities in boosting cooperation between its member countries in the petroleum industry. Future cooperation between OAPEC and OPEC has also been discussed during the meeting.



OAPEC Secretary General, HE Ali Sabt Ben Sabt, received on 5 January 2022, at his office, the Deputy Economic Counselor at the Embassy of the United States of America in Kuwait, Mr Jeffrey Shelstad. The guest has been informed about OAPEC activities in the petroleum industry.

INTRODUCTORY MEETING ON JOINT ARAB ECONOMIC REPORT 2022



OAPEC Secretariat General took part in the introductory meeting discussing the Joint Arab Economic Report 2022, held at the Arab League Headquarters, from 20 to 22 December 2021. 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. Majed Amer, Senior Economist from the Economic Department, represented OAPEC Secretariat General at the meeting.

During the meeting, the contents of the 2022 report chapters have been discussed and their structures were approved. OAPEC Secretariat General prepares Chapter 5 on energy developments (covering Arab and

world exploration and reserves; energy demand; world oil inventories (commercial and strategic); 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.

The conveners underscored the importance of continuing developing the report contents due to its growing importance as a reference in high demand by researchers and interested institutions and individuals. It has been agreed that the pivotal chapter of the 2022 report will focus on “Environment & Climate Change in the Arab Countries: Current Status & Future Prospects.”



OAPEC'S ENG. WAEL ABDUL MOATI WINS S&P RISING STAR AWARD 2021 - INDIVIDUAL



OAPEC Secretary General, HE Ali Sabt Ben Sabt, emphasized that OAPEC member countries are rich with competent talents and knowledgeable experts in the oil and gas sector, which is a source of pride that has a positive impact on the Arab petroleum industry, being a cornerstone in the equation of global energy.



The Secretary General said these words while receiving Eng. Wael Hamed Abdel Moati, Gas Industries Expert at OAPEC, on the occasion of his winning of the prestigious S&P Rising Star Award 2021- Individual-presented by Standard & Poor’s Global Platts Agency for the year 2021 (S&P Global Platts)- to become the first Arab to win an award dedicated to individuals in the annual competition organized by the global agency, as well as the first Arab to win the award since its debut 23 years ago.

Eng. Abdul Moati received the award during S&P’s annual ceremony held in New York City, USA, back in December 2021. Energy companies from 11 countries spanning four continents received honours for leadership, innovation and exemplary performance at the 23rd Annual S&P Global Platts Global Energy Awards, often described as the “Oscars” of energy.

S&P described Eng. Wael Abdel Moati,



as a “well known, well respected” gas industries expert at the Organization of Arab Petroleum Exporting Countries (OAPEC), who drew the attention of all judges as a visionary young leader. Eng. Moati focuses on the evolving roles that gas and hydrogen play in fostering energy transition. In 2020, he took a lead in OAPEC’s hydrogen initiative, a series of studies and workshops promoting production and use of hydrogen in the Middle East and North Africa.



AMPTC GOLDEN JUBILEE CELEBRATIONS

Upon an invitation by the Chairman of the Arab Maritime Petroleum Transport Company (AMPTC), Eng. Adel Al Jassem, OAPEC Secretary General, HE Ali Sabt Ben Sabt, attended a special ceremony in Cairo, Egypt, held recently by AMPTC (an OAPEC joint venture) to celebrate its Golden Jubilee. The ceremony was attended by an elite of officials and experts in the oil sector, energy and maritime transportation. AMPTC veteran personnel were honoured during the ceremony.







ASRY WINS SHIPBUILDING & SHIP REPAIR AWARD AT SEATRADE MARITIME AWARDS MEISA 2021



The Arab Shipbuilding and Repair Yard Company (ASRY), an OAPEC joint venture, has won the Shipbuilding and Ship Repair Award at the prestigious Seatrade Maritime Awards MEISA (Middle East, Indian Sub-continent & Africa) 2021 ceremony held in December 2021 in Dubai, UAE. The ceremony was organised under the patronage of the UAE Ministry of Energy and Infrastructure, in association with Lloyd's List.

The award recognises the regional ship repair facility which has excelled in meeting the needs of its customers and advancing the technical capability, cost efficiency, environmental reputation and safety culture of the sector.



OAPEC JOINT VENTURES' 51ST MEETING



OAPEC Secretariat General held its 51st Coordination Meeting for OAPEC Joint Ventures, in Cairo, Egypt, on 23 December 2021. The meeting was chaired by OAPEC Secretary General, HE Ali Sabt Ben Sabt; and it was attended by Eng. Adel Al Jassem, Chairman, Arab Maritime Petroleum Transport Company (AMPTC); Eng. Mazen Matar, Managing Director, Arab Shipbuilding and Repair Yard Company (ASRY); Dr Ahmed Attiga, Chairman, Arab Petroleum Investments Corporation (APICORP); Mr Ali Al Sagheer, Director General, Arab Petroleum Services Company (APSCO) and its subsidiaries General Managers, in addition to OAPEC Secretariat General delegation.

HE Ben Sabt gave a briefing on the issues tackled during the 107th Meeting of OAPEC Ministerial Council, held

on 9 December 2021. He indicated that the meeting extensively deliberated the activities of OAPEC joint ventures (JVs), challenges they face, opportunities they should seize and the Secretariat General's recommendations in this regard. The meeting also tackled the results achieved in line with the Secretariat General's joint work plan with the JVs covering executive, coordinative, and organisational roles endorsed by the joint taskforce. He also summed up the reports submitted to the Council of Ministers.

The Meeting also discussed the JVs' proposals on the role required of the Secretariat General in light of the Council of Ministers directives on the relationship between the JVs and national companies of the same nature in the member countries. Moreover, cooperation and integration opportunities between the JVs, joint training opportunities, exchange of expertise have also been discussed in the meeting.





SPECIAL MEETING OF THE OPEC CONFERENCE APPOINTS KUWAIT'S AL GH AIS AS NEXT SECRETARY GENERAL



A Special Meeting of the Conference of the Organization of the Petroleum Exporting Countries (OPEC) was held via videoconference on Monday, 3 January 2022, under the Chairmanship of its President, HE Bruno Jean-Richard Itoua, Congo's Minister of Hydrocarbons and Head of its Delegation.

In accordance with Article 28 of the OPEC Statute and in application of the procedure decided at the 182nd Meeting of the Conference on 1 December 2021, the Conference decided by acclamation to appoint Mr Haitham Al Ghais of Kuwait as Secretary General of the Organization, with effect from 1 August 2022, for a period of

three years.

Mr Al Ghais, a veteran of the Kuwait Petroleum Corporation (KPC) and Kuwait's OPEC Governor from 2017 to June 2021, currently serves as Deputy Managing Director for International Marketing at KPC. He Chaired the Joint Technical Committee (JTC) of the Declaration of Cooperation (DoC) in 2017 and subsequently served as a Member of the JTC until June 2021.

In its decision, the Conference expressed its appreciation to HE Mohammad Sanusi Barkindo for his leadership during his two-term tenure as Secretary General beginning on 1 August 2016 and ending on 31 July 2022.



**Monthly Report on Petroleum
Developments in The World Markets**



Monthly Report on Petroleum Developments In The World Markets January 2022

First: World Oil Markets

1. Oil Prices

OPEC primary estimates indicate that OPEC Reference Basket price increased in January 2022 by 12.4% compared to the previous month, to reach \$83.58/bbl. While annual price of OPEC Basket is estimated to increase in 2021 by 68.5% compared to 2020, to reach \$69.89/bbl.

It's worth mentioning that, OPEC Reference Basket decreased in December 2021 by 7.5% or \$6/bbl compared to the previous month, to reach \$74.4/bbl. This is mainly attributed to a sharp decline in the futures markets amid concerns about record-high COVID-19 cases, including in several major oil-consuming countries. Nonetheless, the fundamentals of the physical crude oil market remained relatively robust.

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



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

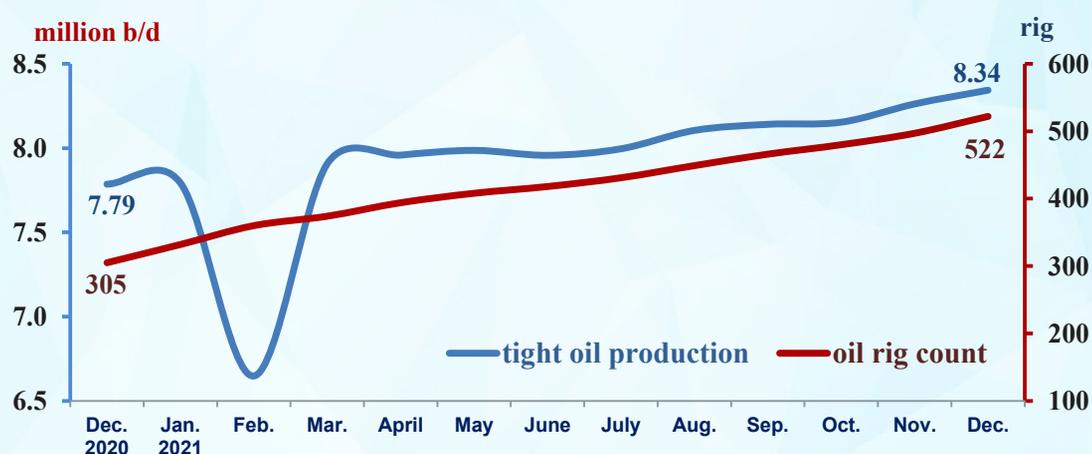
2. Supply and Demand

- Primary estimates indicate that world oil demand is increased in Q4 2021 by 2.4% compared with previous quarter, to reach 99.8 million b/d. As demand in OECD countries increased by 0.9% to reach 46.1 million b/d. And demand in Non-OECD countries increased by 3.2% to reach 53.7 million b/d.

Projections indicate that world oil demand is expected to decrease in Q1 2022 to reach 99.1 million b/d. As Demand in OECD countries is expected to decrease to reach 44.6 million b/d. Whereas demand in Non-OECD countries is expected to increase to reach 54.5 million b/d.

- Primary estimates indicate that **world** crude oil and NGLs/condensates total supplies in December 2021, increased by 177 thousand b/d or 0.2% comparing with previous month level to reach 98.4 million b/d. Non-OPEC supplies increased by 0.02% to reach 65.4 million b/d, and OPEC supplies increased by 0.5% to reach 33 million b/d.
- **OPEC+** crude oil total supplies in December 2021, is increased by 200 thousand b/d, or 0.5% comparing with previous month level to reach 38.2 million b/d. Non-OPEC supplies, which are members in OPEC+, increased by 0.5% to reach 13.9 million b/d. And OPEC-10 supplies, which are members in OPEC+, increased by 0.8% to reach 24.3 mb/d.
- US tight oil production increased slightly in December 2021 by 82 thousand b/d compared to previous month level to reach 8.344 million b/d. Production is expected to continue rising in January and February 2022 to reach 8.540 million b/d. On other development, US oil rig count increased in December 2021 by 25 rigs, to stand at 522 rigs.

US tight oil production and oil rig count



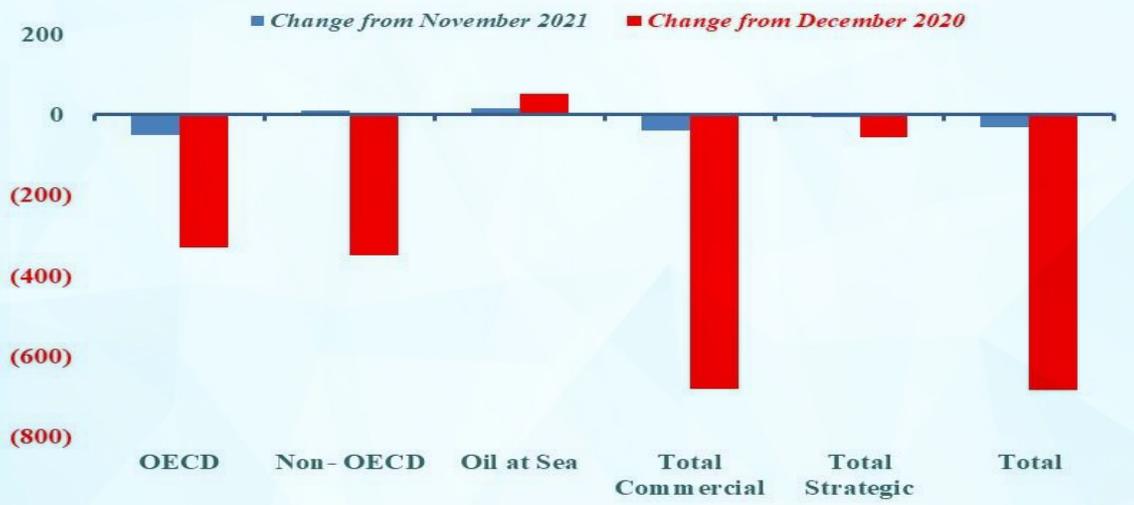
Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions Jan. 2022.

3. Oil Inventories

- OECD commercial inventories in December 2021 decreased by 49 million barrels from the previous month level to reach 2707 million barrels, and strategic inventories decreased by 7 million barrels from the previous month level to reach 1789 million barrels.



Change in Global Inventories at the End of December 2021 (million bbl)



Source: Oil Market intelligence, March 2021 and January 2022.

4. Oil Trade

US Oil Imports and Exports

- US crude oil imports in December 2021, decreased by 0.1% from the previous month level to reach about 6.3 million b/d, whereas US crude oil exports increased by 0.2% to reach about 3 million b/d.
- US petroleum products imports in December 2021 decreased by 3.3% from the previous month level to reach about 2 million b/d, and US petroleum products exports decreased by 5.6% to reach 5 million b/d.

Second: Natural Gas Market

1. Prices

- The average spot price of natural gas at the Henry Hub decreased in December 2021 to reach \$3.76/million BTU.
- The price of Japanese LNG imports in November 2021 increased by \$2.6/m BTU to reach \$14.25/m BTU, the price of Korean LNG imports increased by \$2.52/m BTU to reach \$15.37/m BTU, and the price of Chinese LNG imports increased by \$4.83/m BTU to reach \$17.59/m BTU.

2. Exports

Arab LNG exports to China, Japan and South Korea were about 3.553 million tons in November 2021 (a share of 21.4% of total imports).



Tables Annex