



THE SECRETARY-GENERAL MEETS WITH THE MINISTER OF PETROLEUM AND MINERAL RESOURCES OF THE ARAB REPUBLIC OF EGYPT



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OAPEC

HOSTS OVER 30 HIGH-LEVEL BILATERAL MEETINGS BETWEEN ITS Joint Ventures & 20 NATIONAL COMPANIES FROM THE MEMBER COUNTRIES TO DISCUSS COOPERATION OPPORTUNITIES



The Cover



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Contents

IN THIS ISSUE

6

**OAPEC
ACTIVITIES**

24

**OAPEC JOINT
VENTURES**

28

**PETROLEUM
DEVELOPMENTS**

32

TABLES ANNEX

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.

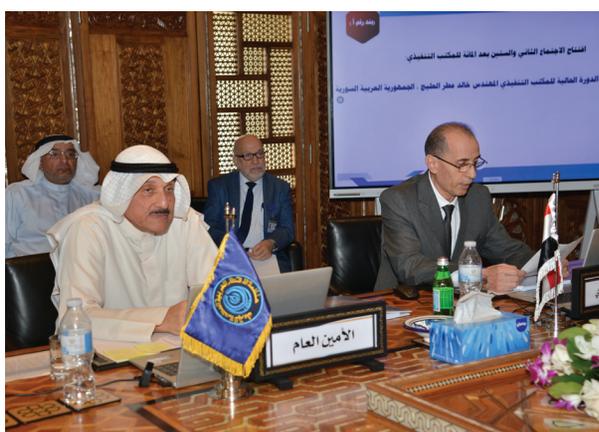
The principal objective of the Organization is the cooperation of the members in various forms of economic activity in the petroleum industry, the determination of ways and means of safeguarding the legitimate interests of its member countries in this industry, individually and collectively, the unification 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.



THE SECRETARY-GENERAL MEETS WITH THE MINISTER OF PETROLEUM AND MINERAL RESOURCES OF THE ARAB REPUBLIC OF EGYPT

6



10 PRESS STATEMENT BY HIS EXCELLENCY THE SECRETARY-GENERAL ON THE 108TH MEETING OF OAPEC COUNCIL OF MINISTERS



OAPEC HOSTS OVER 30 HIGH-LEVEL BILATERAL MEETINGS BETWEEN ITS JOINT VENTURES

14

• **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.



GLOBAL OIL MARKET STABILITY IS A SHARED RESPONSIBILITY



By: Ali Sabt Ben Sabt
OAPEC Secretary General

Observers of recent developments in the oil market note that the elapsed period of 2022 witnessed a rise in crude oil prices by more than 50% compared to the end of the previous year. This rise is mainly due to the Russian-Ukrainian crisis that erupted in late February 2022, and the accompanying exchanged sanctions between the United States and Europe on the one hand, and Russia on the other. The latest measures taken in this direction included the European Union countries' agreement (by the end of May) on a plan to gradually ban Russian seaborne petroleum imports: for a period of 6 months for crude oil, and 8 months for refined products,

which represent about 75% of Russian oil imports. As a result of this agreement, the price of Brent crude futures for August 2022 delivery rose to a level close to \$124 per barrel, amid growing concerns over the security of energy supplies.

The same applies to the prices of petroleum products. Average prices of gasoline and diesel fuel have risen to their highest levels ever throughout the United States of America, as the average price of regular gasoline amounted to about \$5.016 per gallon on 14 June 2022, higher by 63% compared to the average prices in 2021. Premium gasoline prices reached a record level of \$5.679 per gallon on 19

June 2022, and the average diesel price in the US domestic market rose to a record level of \$5.816 per gallon.

Upon considering the average prices of gasoline and diesel in the US market, it is noted that the components of the retail price for regular gasoline constitute 59% of the price of the crude, 11% for taxes, 5% for marketing and distribution, and 26% for the refining margin. As for diesel prices, crude oil represents 47% of the price, 10% for taxes, 17% for marketing and distribution, and 25% for the refining margin.

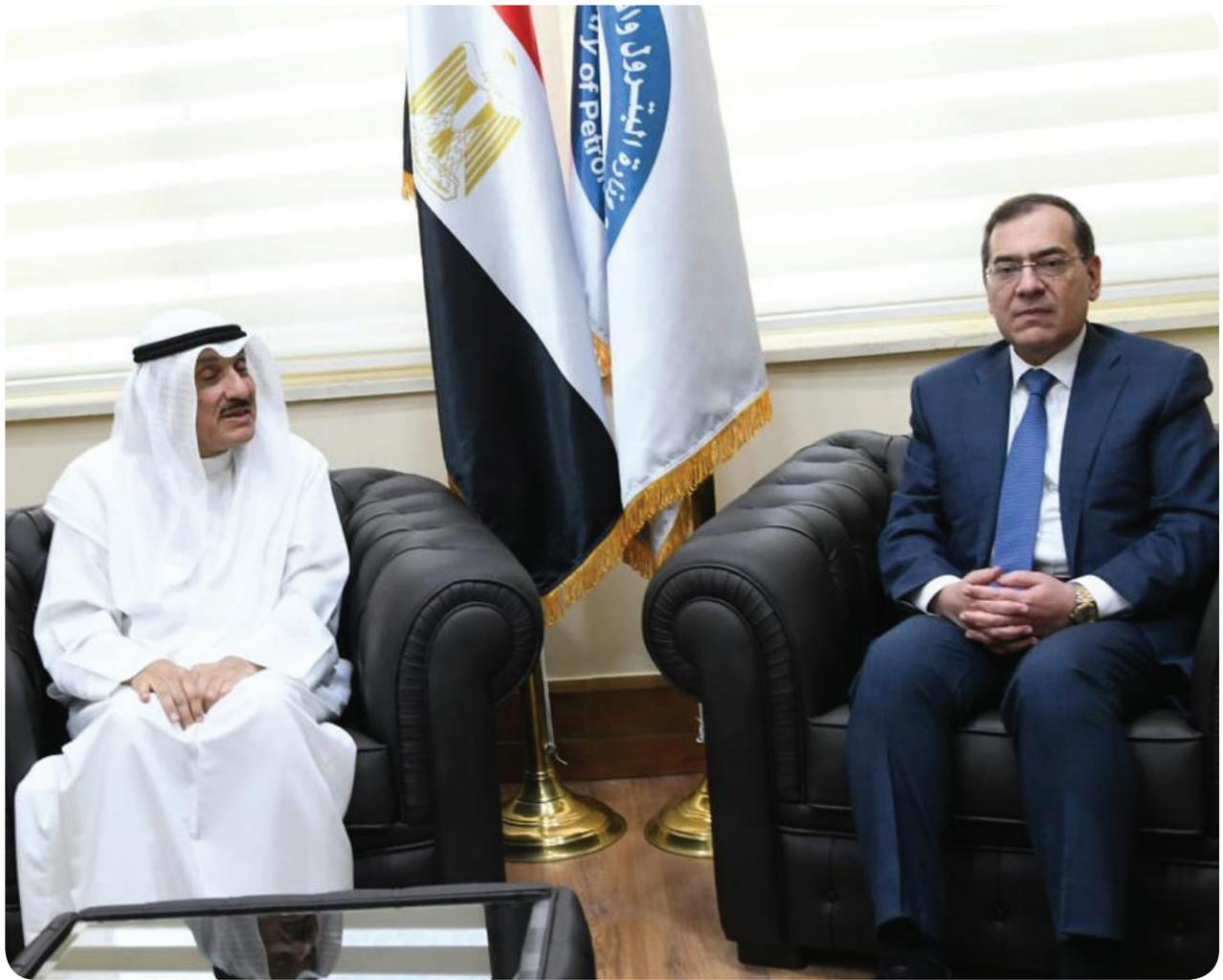
In light of these data, the US President called upon the Congress to suspend the federal gasoline tax for three months in order to reduce record price levels, and also urged states to temporarily suspend fuel taxes, which are often higher than federal rates. He also asked major US oil companies to submit proposals on methods to restore discontinued refining capacity.

At this point we would like to emphasize that achieving stability in the oil market is a joint task between OPEC and non-OPEC producing countries. OPEC member countries cannot be held responsible for the current rise in oil prices. These countries simply study the oil market and follow its developments in coordination with their “OPEC +” group partners. Then, they manage oil supplies in the market to meet global demand by holding periodic

meetings to reach agreements related to determining production levels required to ensure the stability and balance of global oil markets and to reach fair prices that satisfy all market players whether producers, consumers or investors.

In light of the end of lockdowns related to the COVID19 pandemic in the main global economic centres, especially China, along with forecasts of an increase in demand by oil refineries after the completion of seasonal maintenance operations, the “OPEC +” group (during their last ministerial meeting No. 29, which was held on 2 June) decided that the pre-set production increase for September 2022, amounting to 432 thousand b / d, to be redistributed equally over the months of July and August, so that the production increase planned for each of the two months becomes 648 thousand b / d.

In the same vein, we would like to welcome the recent decision by the “OPEC+”, which comes is in line with the current oil demand situation, and reflects the efforts made by the group’s member countries towards playing their role to ensure stability and balance in the global oil market. We believe that oil producing countries outside the OPEC+ group should play a similar role, as maintaining oil prices at reasonable levels is a shared responsibility that should be borne by all parties.



THE SECRETARY-GENERAL MEETS WITH THE MINISTER OF PETROLEUM AND MINERAL RESOURCES OF THE ARAB REPUBLIC OF EGYPT

During his official visit to Cairo, the Arab Republic of Egypt, in June 2022, His Excellency Ali Sabt Ben Sabt, OAPEC Secretary General, held a meeting with His Excellency Eng. Tarek El Molla, Minister of Petroleum and Mineral Resources of the Arab Republic of Egypt. HE Ben Sabt briefed the Minister on the recent work done by the Secretariat General in line with the Organisation’s role activation plan approved by OAPEC Council of Ministers. The plan provides for the development of the work of the organization in line with the goals for which it was established to keep pace with the latest developments and ensure being actively present at the Arab and global arenas.

OAPEC development plan has been drawn as a road map for the activities of the Secretariat General. It covers twelve areas for development, on top of which activating the relationship between the Secretariat General and OAPEC joint ventures, promoting scientific research, activating the organisation’s role in training, and developing and activating the role of petroleum media.

CONGRATULATIONS



OIAPEC Secretary General HE Ali Sabt Ben Sabt sent a cable of congratulations to HE Dr Mohammed bin Mubarak bin Dainah, on the occasion of his appointment as the Minister of Oil and Environment of the Kingdom of Bahrain. The Secretary General wished HE Bin Daina all success while looking forward to boosting the existing cooperation between the Kingdom and the Organisation.



VISITS



OAPEC Secretary General, HE Ali Sabet Ben Sabet, received on 24 July 2022 at his office the State of Qatar’s Ambassador to Kuwait HE Ali bin Abdullah Al Mahmoud.

The most important activities of the Organization’s General Secretariat in terms of enhancing cooperation between OAPEC member countries in the petroleum industry were reviewed during the meeting. The latest developments related to the preparation for the 12th Arab Energy Conference to be held in Qatar during the last quarter of next year 2023 have been discussed too.



OAPEC Secretary General, HE Ali Sabet Ben Sabet, received on 25 July 2022 at his office OPEC’s Secretary General, HE HAITHAM AL GHAIS. The possibility of enhancing the existing cooperation between the two organizations in the areas of mutual interest has been discussed during the meeting.

OAPEC
ORGANIZATION OF ARAB
PETROLEUM EXPORTING
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PRESS STATEMENT BY HIS EXCELLENCY THE SECRETARY-GENERAL ON THE 108TH MEETING OF OAPEC COUNCIL OF MINISTERS (AT THE LEVEL OF DELEGATES)



OAPEC Secretary-General, HE Ali Sabt Ben Sabt, stated that the organization’s Council of Ministers held its 108th meeting at the level of delegates of oil and energy ministers in the member countries, in the State of Kuwait on 18 May 2022, headed by HE Eng. Khaled Matar Al Alaij, Representative of the Syrian Arab Republic in the Executive Bureau of the organization. Syria holds the presidency of the session for the year 2022.



HE Ben Sabt added that the meeting discussed a range of topics related to the work and activities of the organization, including the approval of the organization’s final financial statements for the year 2021. The conveners also reviewed a report on the preparations for the 12th Arab Energy Conference, scheduled to be held in Doha, Qatar, in the last quarter of 2023. They have also been informed about the events and symposia that the Secretariat General has organized, participated in, or will be organizing during 2022.

He explained that the council was also briefed on the reports prepared by the OAPEC Secretariat General, including the quarterly report on the global petroleum situation, a report on gas flaring, a report on “the International Energy Agency’s Proposals to Confront the Possibility of Russian Oil Exiting the Market”, a report on “The Russian-Ukrainian Crisis and its Initial Repercussions on the Global Oil Markets”, and the quarterly report on “Developments of Liquefied Natural Gas and Hydrogen” among other reports.

The Secretary-General explained that the 108th meeting of the OAPEC Council of Ministers



meeting discussed a range of topics related to the work and activities of the organization, including the approval of the organization’s final financial statements for the year 2021

(at the level of delegates), was preceded by the 162nd meeting of the Executive Bureau. It was held on the same day, headed by HE Eng. Khaled Matar Al Alaij, Representative of the Syrian Arab Republic in OAPEC Executive Bureau;



and dedicated to preparing for the meeting of the Council of Ministers (at the level of delegates). The meeting reviewed the progress made in implementing the plan to activate and develop the organization’s role approved by the Organization’s Council of Ministers, especially in the field of activating the relationship between the Secretariat General and its Joint Ventures, as well as, activating the organization’s role in training, and coordinating the positions of its member countries and other countries regarding climate change negotiations and obligations. OAPEC Databank role activation has been discussed too.

The meeting also deliberated on the follow-up to the Council of Ministers’ resolution “4/107” regarding assigning OAPEC Executive Bureau, in coordination with the Kingdom of Saudi Arabia, to activate the Green Middle East Initiative and work on adopting the circular carbon economy. The meeting also discussed the topic for OAPEC Award for Scientific Research 2022 consisting of three proposed areas related to the petroleum manufacturing industries, new and renewable energies, and the “decarbonization technologies in the petroleum industry and the circular carbon economy”.

The Secretary-General concluded his



statement, expressing his heartfelt thanks for the continuous and unlimited support that the OAPEC Secretariat General is receiving from its member countries, which enabled it to continue delivering on its goals as required. He wished

the petroleum industry in the member countries further progress and prosperity in light of the extraordinary circumstances the global energy markets are going through.



HOSTS OVER 30 HIGH-LEVEL BILATERAL MEETINGS BETWEEN ITS JOINT VENTURES & 20 NATIONAL COMPANIES FROM THE MEMBER COUNTRIES TO DISCUSS COOPERATION OPPORTUNITIES



OAPEC Secretariat General held an extensive meeting on 25 June 2022 in Cairo, Arab Republic of Egypt, which involved OAPEC joint ventures' (JVs) chairpersons or their representatives, and CEOs of national companies of similar nature in the member countries.

OAPEC Secretary-General, HE Ali Sabt Ben Sabt, opened the meeting welcoming the participants and noting that the meeting came in implementation of the organization's role as a mediator between its Joint Ventures and the national companies in the member countries, as per the decision of the organization's Council of Ministers in this regard on discussing cooperation and integration opportunities.

The Secretary-General also stressed that the meeting aims to open the door for dialogue on the

possibility of creating business opportunities, new contracts, and any other services or consultations of common interest between OAPEC Joint Ventures and the national companies, as well as, emphasizing boosting integration among them. For their part, the Joint Ventures chairpersons or their representatives gave speeches and presentations that included explanations of their activities, most important projects, future plans, and the areas of cooperation between them on the one hand and national



Natural Gas Liquefaction Projects, the Tharwa Breda Petroleum Services Company, SinoTharwa Drilling Company, and Petroleum Arrows Company).

The participants commended the active role of OAPEC Secretariat General in organizing and coordinating these meetings to boost cooperation between the Joint Ventures and national companies, and the importance of continuing to hold them in the future. It was also agreed to hold future meetings in preparation for signing memoranda of understanding.

In the closing session, His Excellency the Secretary-General stressed that the Secretariat will follow up on the results of this meeting and provide all the necessary support to strengthen cooperation and coordination between OAPEC Joint Ventures and the national companies in member countries in order to achieve the aspired goals of the Cabinet decision. He added that a detailed report will be submitted at the ministerial meeting scheduled to be held during December 2022.

It is noteworthy that OAPEC was established in 1968 to boost petroleum cooperation and exchange of expertise between its member countries to achieve common economic benefits, and contribute to the economic and social development efforts of its member countries. In the context of achieving these goals, the organization succeeded in establishing a group of companies, which are: the Arab Maritime Petroleum Transport Company (AMPTC) in 1972 (headquartered in Kuwait City, Kuwait), Arab Shipbuilding and Repair Yard Company (ASRY) in 1973 (headquartered in Manama, Bahrain), Arab Petroleum Investments Corporation (APICORP) in 1974 (headquartered in Al Khobar, KSA), Arab Petroleum Services Company (APSCO) in 1975 (headquartered in Tripoli, Libya). These companies have effectively contributed to promoting the Arab petroleum industry and supporting the joint Arab cooperation process.

companies on the other.

As the mediator between its Joint Ventures and the national companies, OAPEC Secretariat General has coordinated more than 30 high-level bilateral meetings between representatives of its Joint Ventures and about 20 national companies from seven member countries to discuss potential cooperation opportunities.

Participation varied in these meetings including: from the United Arab Emirates (Abu Dhabi National Oil Company, Emirates General Petroleum); from Algeria (Sonatrach and Highbrok Maritime Transport Company); from Saudi Arabia (Ministry of Energy, Saudi Aramco, Aramco Gulf Operations, and SABIC East Africa); from Syria- through videoconferencing- (the General Petroleum Corporation and the Syrian Petroleum Company); from Iraq (Iraqi Oil Tankers Company); from Kuwait (Kuwait Petroleum Corporation, Kuwait Oil Company, Kuwait Oil Tanker Co., and Kuwait Gulf Oil Company); from Egypt (the Egyptian General Petroleum Corporation, the Egyptian Natural Gas Holding Company, the Egyptian Operating Company for



OAPEC PARTICIPATES IN THE LAUNCH OF JOINT ARAB ECONOMIC REPORT 2021 AT THE ARAB LEAGUE



As part of the endeavours to boost cooperation between OAPEC and other Arab institutions and organizations, OAPEC Secretary General, HE Ali Sabt Ben Sabt, attended the launching ceremony of the Joint Arab Economic Report for the year 2021 at the headquarters of the Arab League, on 13 June 2022.

In his speech at the opening of the event, Ben Sabt indicated that since its establishment in 1968, OAPEC- being the only Arab body concerned with energy affairs in the Arab World- has been keen to be among

the institutions participating in preparing this report. OAPEC stepped into this joint effort since the third issue of the report, released in 1982, by assuming the tasks of preparing the fifth chapter covering the



energy sector; the backbone of the Arab economic and social development process.

Ben Sabt added that the pivotal role played by the Arab countries in the global oil and gas markets at the present time requires them to exert more effort towards meeting the growing Arab and global consumption of energy sources, the main drive for the growth of these economies. He explained that it has become clear that fluctuations in energy markets and their instability, whatever their source and causes are, affect oil and gas production, exports and revenues, and the volume and patterns of investment in production, which consequently affect economic diversification strategies and methods of managing oil and gas revenues in our Arab oil and gas producing countries.

Ben Sabt concluded his speech by noting that creating a balanced and stable oil market that meets the aspirations of producers, consumers and investors alike is necessary to motivate Arab producing and exporting countries to increase their investments in the energy sector, as there must be a guarantee of global demand for energy in the medium and long term to justify huge investments in the energy sector. He stated “when we talk about global energy security, we see the importance of including the principle of ensuring global energy demand in exchange for the principle of ensuring energy supplies.”

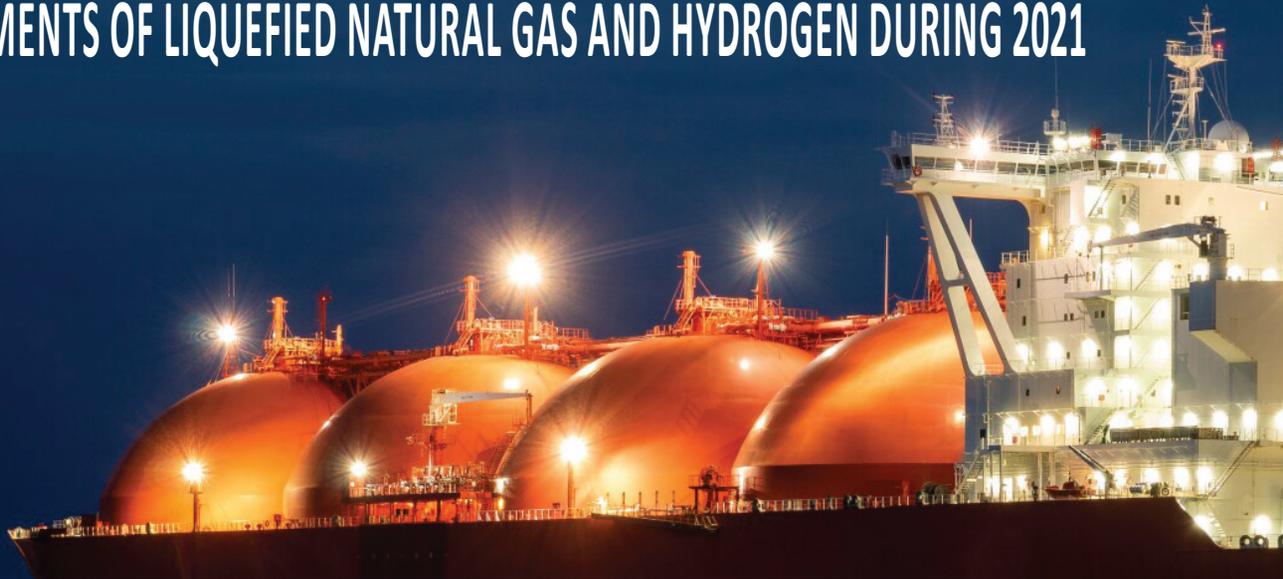
Mr. Abdul-Fattah Dandi, Director of the Economic Department and Supervisor of the Media and library department in OAPEC gave a brief presentation on the fifth chapter of the report. Mr. Dandi reviewed the process of OAPEC’s joining the team of the Joint Arab



economic report, and went through the content of the fifth chapter which dedicated to the energy sector and showed the development of the various energy indicators covered in the chapter during the past four decades. He also reviewed the development of the global oil market since the launch of the report, and illustrated the crises experienced by the oil market and the measures taken by OPEC member countries to overcome them.



KUWAIT MINISTRY OF OIL ORGANIZES A PANEL DISCUSSION ON THE DEVELOPMENTS OF LIQUEFIED NATURAL GAS AND HYDROGEN DURING 2021



The Public Relations Department of the Kuwait's Ministry of Oil organized a virtual discussion session on the developments of liquefied natural gas and hydrogen during 2021, in which Eng. Wael Hamed Abdel Moati, an expert on gas industries at the Organization of Arab Petroleum Exporting Countries (OAPEC), gave a lecture.

Eng. Wael explained that the liquefied natural gas industry includes four stages, starting with gas extraction operations, then liquefying it into liquefied natural gas at -160 degrees Celsius, then transporting it via tankers to reach the import port to be re-gasified and pumped into the local network. The liquefaction phase is the highest in costs, as it alone represents about 50% of the total investment costs required to implement an integrated project, while the reception and regasification phase in the importing country represents about 8% of the total investment costs.

He also stressed that the global market for liquefied gas has developed significantly, as the number of LNG exporters in 2021 reached 21 countries, while the number of importing markets reached 44 in light of the growing demand for gas and dependence on it as a main fuel in the energy system. The size of the global fleet reached about 700 tankers, most of them are modern tankers whose age does not exceed 6 to 10 years. The Arab countries are pioneers in liquefied gas, as Algeria was the first country in the world to produce and export it since 1964, then joined by several Arab countries such as Libya, the UAE, Qatar, Oman, Egypt and recently Yemen, bringing the

nominal production capacity in the Arab World to 138 million tons annually.

On the most prominent indicators of the global market in 2021, he said that the Arab countries exported about 112 million tons of liquefied gas, forming a global market share of about 29.5%. He added that the global trade of liquefied gas achieved an annual growth of 7.4%, in reference to the recovery of the global economy from the repercussions of the COVID19 pandemic, and the growing importance of gas as a safe and sustainable fuel in meeting global demand. As for importing markets, Asia is the main market with a 73% share of the total world trade, while the European market accounts for about 20%, the Americas with a 5% share and the Middle East with a 2% share.

He also explained that the State of Kuwait has become the largest market for liquefied natural gas in the Middle East after the operation of the Al Zour facility in July 2021, which is an engineering icon and a global project with a gasification capacity of 3 billion cubic feet per day and a storage capacity of 1.8 million cubic metres. It has the potential to provide a variety of logistic services for future liquefied gas



applications, such as ship catering, noting that Kuwait imported about 5.3 million tons in 2021. During the first quarter of 2022, Kuwait imported more than 0.8 million tons from three main destinations: Qatar, which alone accounted for about 57% of the total imports, the UAE (13%) and Nigeria (30%). He noted that the contract signed by Kuwait Petroleum Corporation with Qatar Energy to import 3 million tons/year of liquefied natural gas for a period of 15 years, will enter into force in 2022, to contribute to meeting the needs of the State of Kuwait in the future.

As for gas prices in global markets, especially spot prices, they have witnessed unprecedented historical jumps in recent times due to the scarcity of supplies and recently the Russian-Ukrainian crisis. However, the pricing system based on linking the price of sold gas to a price equation with Brent crude in long-term contracts limits price fluctuations that the spot market is currently witnessing due to the stability of the oil market. In addition, long-term contracts (15 years) guarantee the provision of safe, reliable and sustainable supplies to customers, and secure revenues to exporting countries to ensure continued investment in the development of the gas sector to comply with the contracted quantities.

Talking about hydrogen, Eng. Wael said that the Arab countries are strongly present in the global hydrogen scene, and were able, within a short period, to announce investment in a huge range of projects with a total of 38 projects. These projects came with a “diverse portfolio” that included projects to produce green hydrogen and green ammonia (23 projects), projects for the production of blue hydrogen and blue ammonia (9 projects), and 5 projects for hydrogen applications in the field of land, sea and air transport.

For her part, Director of Public Relations and Information at Kuwait’s Ministry of Oil Sheikha Tamader Khaled Al Ahmad Al Jaber Al Sabah said that the State of Kuwait has developed a strategy to expand the use of natural gas in power and water plants, and for that the oil sector has taken upon itself the establishment of gas import facilities, completed recently in Al Zour, with a maximum capacity of 3000 billion British thermal units per day, at a total cost of \$2.93 billion.

She said that Kuwait is taking the necessary measures to increase production of natural gas to meet the increasing domestic demand, as the Kuwait Oil Company is sparing no effort in this regard, along with the Kuwait Gulf Oil Company, and brothers in the Kingdom of Saudi Arabia, to benefit from the great potentials between the two countries. She stated that the Ministry of Oil represented by the Department of Public Relations and Information is keen to show the efforts made by Kuwait, and to review the most important developments in the global natural gas market through the participation of specialists and experts to talk about the subject.



OAPEC HOLDS A TRAINING COURSE ON BUILDING NATIONAL CAPACITIES IN MEMBER COUNTRIES TO PREPARE NATURAL GAS STATISTICS

Within the framework of implementing an important aspect of OAPEC role activation plan endorsed by the Council of Ministers of the organization, on “developing and activating the organization’s databank” due to its vital role in providing researchers and specialists in the Arab countries with rich statistical data related to the oil and energy industry, OAPEC Secretariat General organized a training course, on 1-2 June 2022, on building national capacities in member countries to prepare natural gas statistics.

The course aimed mainly at assisting specialists in the member countries’ statistical departments in the ministries of oil and energy in preparing natural gas statistics to improve applied statistical skills, develop practical procedures to improve the efficiency of the data collection process, and align those procedures with international standards.

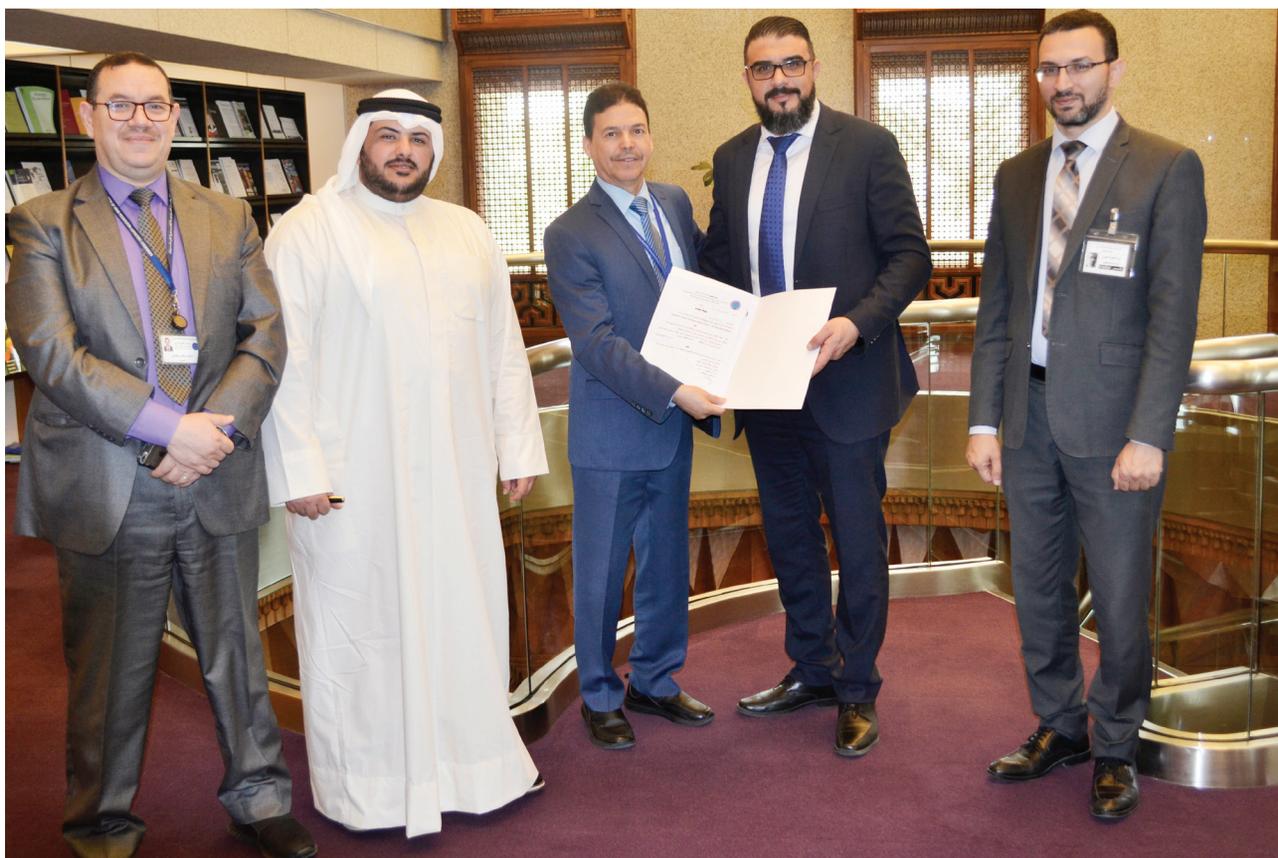
About 100 specialists from the member countries participated in the event. The course covered two main topics, the first of which dealt with the basic definitions and terms related to natural gas, the stages of its manufacturing, processing operations, and uses and export systems. The second touched upon the importance of natural gas statistics, and the technical processing of natural gas data with practical applications.

OAPEC Secretary-General, HE Ali Sabt Ben Sabt, opened the course’s activities, explaining the importance of natural gas, which occupies an important place in the energy mix consumed



globally, as natural gas constituted about 25% of the total consumption of energy resources in 2020; its share is expected to reach about 28% in 2050. He also indicated that at the level of member countries, natural gas consumption constituted about 54% of the energy mix consumed in 2020, coming on top of other sources, surpassing oil, whose share reached 45% in 2020. This development is mainly due to the consideration of natural gas as an environmentally friendly source, which is being exploited significantly in the electricity generation sector and in the petrochemical industry, as it was previously flared. The growing importance of natural gas prompted the Secretariat General to hold this training course to introduce the various terms of natural gas and deal with its statistics.

The participants praised what was covered during the training course, and underscored the importance of holding more such specialized courses in the future.



OAPEC SIGNS AN AGREEMENT TO IMPLEMENT DIGITAL TRANSFORMATION IN THE ORGANIZATION'S LIBRARY

As part of the efforts to develop the organization's library in order to better serve researchers and specialists in oil, gas and energy in the Arab countries, OAPEC Secretariat General represented by Mr. Abdul-Fattah Dandi, Director of the Economic Department and Supervisor of the Media and library department signed a contract with the Arab Computer Services Company (AIMS), a company specialized in programming and information technology, to provide the advanced Insignia program for managing the library content including books, references and documents. The contract was signed at the headquarters of the Secretariat General in the State of Kuwait, marking the start of a new phase towards the implementation of the digital library project.

The library of OAPEC is one of the oldest Arab libraries, and it abounds with a huge number of books, periodicals and references specialized in oil, gas and energy. The number of references and information sources in the library is about 31,700 books, and about 6000 documents.

The supply and acquisition process is carried out continuously in order to expand the library's collections, where the annual increase of electronic



information sources is between 150-200 titles.

OAPEC library provides information services by providing the beneficiaries with various sources of information (books, periodicals, reports, articles ... etc.), whether in printed or electronic form, as well as responding to inquiries and providing reference services, for all researchers, scholars and anyone with interest in the topics acquired by the library, whether from the Secretariat General's staff or researchers inside and outside the headquarters country.



OAPEC

launches its **Scientific Award** for the year

on

2022

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

The Organization of Arab Petroleum Exporting Countries (OAPEC) is pleased to announce its scientific award for the year 2022, the research topic will be “Decarbonization Techniques in the Petroleum Industry, and the Circular Economy of Carbon” as per the organization’s Executive Office Decision No. 162/1 dated 18 May 2022.

The launch of OAPEC Award comes in line with the organization’s policy to encourage researchers by awarding two prizes on a biennial basis (First Prize KD 7000-10000 and the Second Prize KD 5000).

OAPEC’s interest in the field of “Decarbonization Techniques in the Petroleum Industry, and the Circular Economy of Carbon” stems from the global efforts aimed at reducing harmful emissions to the environment. A special focus has been given to petroleum industries (at all stages) to enable them meeting the requirements of decarbonization while maintaining their profitability and vital role in providing clean petroleum products at acceptable and fair prices.

The research topic of OAPEC Scientific Award for the Year 2022 tackles technologies that can help the petroleum industry to cut carbon emissions and achieve emissions-free production during all its stages, from drilling and production operations, to refining, petrochemicals production and distribution. This is in addition to benefitting from adopting the Circular Carbon Economy notion as a mean to cut carbon emissions.

The end of May 2023 has been set as the deadline for receiving the participating research works. Winners will be chosen by a scientific committee formed under the chairmanship of OAPEC Secretary-General, Ali Sabt Ben Sabt, and the membership of OAPEC and non-OAPEC petroleum experts. For more information about the award, please scan the following code:



OAPEC & SONATRACH ORGANIZED A TRAINING COURSE ON “GAS TURBINE CONTROL”



Over the course of three days, OAPEC Secretariat General organised a training course on “Gas Turbine Control”, on 23 May 2022, in coordination with Sonatrach’s Algerian Petroleum Institute.

This course came as a result of the success of the first training course held in cooperation between OAPEC Secretariat General and the Algerian Petroleum Institute on 17-19 January 2022, entitled “Interpretation of Seismic Data”.

تابعونا على حسابات المنظمة بمواقع التواصل الاجتماعي
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ASRY RECEIVES AN INTERNATIONAL SAFETY AWARD FROM THE BRITISH SAFETY COUNCIL

The Arab Shipbuilding & Repair Yard Company (ASRY), an OAPEC joint venture, has won an International Safety Award from the British Safety Council in recognition of its commitment to keeping its workers and workplaces healthy and safe during the 2021 calendar year.

ASRY is one of 204 organisations to win a Merit in the International Safety Awards 2022, where 549 organisations won an International Safety Award. They span all sectors with significant representation from the construction, manufacturing, oil, gas, mining, power and utility sectors.



APICORP APPOINTS AL RUWAIGH AS NEW CEO

The Arab Petroleum Investments Corporation (APICORP), an OAPEC joint venture, announced the appointment of Khalid bin Ali Al Ruwaigh as its new CEO, taking over from Dr Ahmed Ali Attiga who led the organization over the past five years, during which APICORP successfully navigated an ever-changing business and energy landscape.

Commenting on the appointment of the new CEO, Dr Aabed Al Saadoun, Chairman of the APICORP Board said, “The appointment of Khalid bin Ali Al Ruwaigh marks a new chapter in APICORP’s journey of transformation amidst the shifts in the energy and financial sectors. We are cognizant of the importance, complexity and responsibilities of our developmental mandate, and we will continue to adapt to reflect the changing world around us.”

“The wealth of knowledge and experience Khalid brings, having worked in a broad range of industries, will be instrumental in continuing our strong momentum in support of a balanced approach to the energy transition agenda and sustainable development goals of our Member Countries and wider MENA region,” Dr. Al Saadoun added.

Speaking on the appointment, Mr Khalid bin Ali Al Ruwaigh said, “I am excited to join APICORP and be part of its transformational journey. As a company with a unique mandate which sits at the nexus of the energy and financial worlds, the opportunities for growth are truly vast. I look forward to working with our capable management team, our board, and our shareholders to connect industry stakeholders, develop innovative solutions, and support projects which have a positive, tangible, and lasting impact on the lives of people in our part of the world.”

Khalid bin Ali Al Ruwaigh holds an MBA from California State University and a Bachelor’s Degree in Information Systems from King Saud University. He joins APICORP from Emirates NBD Capital KSA where he served as Chief Executive Officer since March 2019 and had held several senior and executive roles within the financial sector covering multi-asset classes such as Public & Private Equity, Real Estate, and Fixed Income.

Dr Aabed Al-Saadoun further noted, “I would like to thank Dr Ahmed Ali Attiga for his years of service as CEO, successfully leading APICORP during a time of unprecedented challenges brought about by the pandemic and bolstering APICORP’s position as a trusted partner and key enabler of the Arab energy sector.”



Khalid bin Ali Al Ruwaigh

THE MULTILATERAL FINANCIAL INSTITUTION EMBARKS ON NEW CHAPTER OF ITS TRANSFORMATION JOURNEY AMIDST SHIFTS IN THE ENERGY AND FINANCE SECTORS





APICORP POSTS 2021 FINANCIAL RESULTS, RECORDING A NET INCOME OF \$99.6MN

The Arab Petroleum Investments Corporation (APICORP), an OAPEC joint venture, announced that its Board of Directors recommended to the General Assembly the approval of its financial results for the full year ended 31 December 2021.

APICORP’s performance marked a year of notable financial and operational achievements despite a backdrop of a reduction in reference rates and significant volatility in financial markets that persisted throughout the year.



At year-end of 2021, the Corporation recorded a net income of \$99.6mn and saw its balance sheet grow by 1.3% y-o-y to reach \$8bn. Total comprehensive income for the year also reached just under \$112.9mn – up from \$90.6mn in 2020.

Growth in Corporate Banking

APICORP’s Corporate Banking portfolio reached \$4.6bn, representing a 19% y-o-y increase. This was partly due to the Corporation having actively sought to disburse its \$500 million countercyclical support package to its Member Countries and strategic partners, which was launched in 2020 to mitigate the impact of the COVID-19 pandemic and oil price fluctuations.

Moreover, the Corporation increased its capital adequacy from 31% in 2020 to 32% and reduced its key leverage ratio from 2.2x to 2.1x in 2021. Return on assets and return on equity at year-end were 1.3% and 3.9%, respectively, while non-performing loans fell from 0.59% to 0.55% over the period. Notably, it also retained its ‘Aa2’ credit rating from Moody’s and ‘AA’ credit rating from Fitch during the year.

Commenting on the results, Dr Aabed Al Saadoun, Chairman of the APICORP Board, said: “APICORP has consistently delivered improvements in its balance sheet over recent years, and 2021 was no exception. It is a testament to the Corporation’s structural and



• Dr. Al Saadoun added

BALANCE SHEET GREW BY 1.3% Y-O-Y DURING 2021 TO REACH \$8BN



strategic resilience that it delivered exceptional growth in corporate banking in a year marred by global economic uncertainty. It was also a year that saw the Corporation lead the energy transition through the issuance of green bonds and an ESG framework that is transforming the very nature of our region’s energy landscape.”

A notable achievement for APICORP in 2021 was its successful debut green bond issuance in September, which came on the heels of a



**CORPORATE
BANKING ASSETS
INCREASED BY 19%
TO REACH \$4.6BN**

**TOTAL
COMPREHENSIVE
INCOME FOR THE
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\$112.9MN – UP
FROM \$90.6MN IN
2020**



significant uptick in its green portfolio which increased by witnessed a five-fold increase over the past 5 years — approximately \$600mn. The benchmark \$750mn green bond was nearly three times oversubscribed, garnering \$2.2 billion in orders from more than 80 institutional and sovereign investors, 63% of whom were strictly ESG-focused investors. Moreover, the green bond issuance recorded the lowest-ever interest rate for an APICORP benchmark issuance.

Dr. Al Saadoun added: “We are immensely proud to close yet another successful year for APICORP. Despite having moved through a period of continued uncertainty in world markets, the Corporation delivered extraordinary corporate banking asset growth and led the development of a truly transformative green bond issuance that was three times oversubscribed. Our member countries have navigated a difficult period by renewing their commitments to the energy transition in a way that provides great scope for innovation and enterprise across the sector and provides the wider investor community with enormous scope for involvement in the ESG investment landscape of tomorrow.”

Business Line Highlights

- **Corporate Banking**

APICORP increased its corporate banking assets by 19% y-o-y in 2021 to reach \$4.6 bn. Corporate banking also achieved a remarkable increase in drawdowns that reached \$2.4 bn as pent-up demand for project financing from 2020 was released in 2021.

- **Investments**

The performance of the Corporation’s equity investment portfolio made a better-than-expected contribution to the bottom line due to the materialization of a few exits.

- **Treasury & Capital Markets**

The treasury and capital markets portfolio was reduced in size in 2021 to mitigate the impact of the volatility in the financial markets and to also take advantage of liability optimization for APICORP. The equity investment portfolio was largely at the same level to the previous year with some exit opportunities materializing during 2021.



Monthly Report on Petroleum Developments in The World Markets

Monthly Report on Petroleum Developments In The World Markets July 2022

First: World Oil Markets

1. Oil Prices

OPEC primary estimates indicate that OPEC Reference Basket price decreased in July 2022 by 8% compared to the previous month, to reach \$108.32/bbl. While annual price of OPEC Basket is estimated to increase in 2022 by 51.3% compared to 2021, to reach \$105.71/bbl.

It's worth mentioning that, OPEC Reference Basket increased in June 2022 by 3.3% or \$3.8/bbl compared to the previous month, to reach \$117.7/bbl. This is mainly attributed to oil market fundamentals strong amid oil market fundamentals strong demand from refiners coinciding with high refining margins. In addition to supply disruption in several regions, including Libya and Ecuador, planned strike in Norway's oil sector, prospect of higher oil demand in China in light of a gradual easing of lockdown measures related to Covid-19, and signs of robust demand for road transportation fuel during the driving season.

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



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

2. Supply and Demand

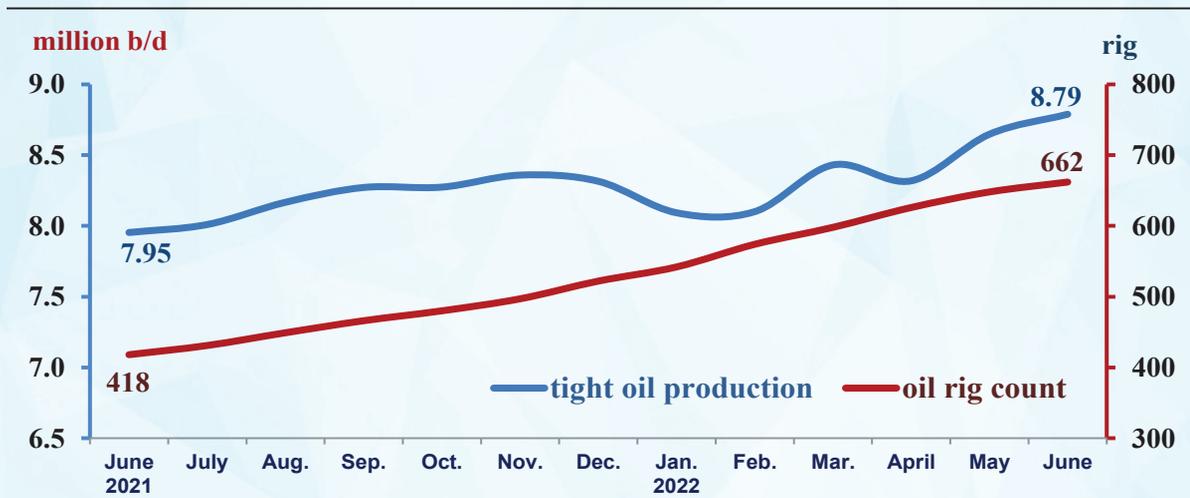
- Primary estimates indicate that world oil demand is decreased in Q2 2022 by 1% compared with previous quarter, to reach 98.3 million b/d. As demand in OECD countries decreased by 0.7% to reach 45.5 million b/d. And demand in Non-OECD countries decreased by 1.2% to reach 52.8 million b/d.



Projections indicate that world oil demand is expected to increase in Q3 2022 to reach 100.6 million b/d. As Demand in OECD countries is expected to increase to reach 47 million b/d. And demand in Non-OECD countries is expected to increase to reach 53.6 million b/d.

- Primary estimates indicate that **world** crude oil and NGLs/condensates total supplies in June 2022, increased by 374 thousand b/d or 0.4% comparing with previous month level to reach 99.8 million b/d. Non-OPEC supplies increased by 0.2% to reach 65.6 million b/d. And OPEC supplies increased by 0.7% to reach 34.2 million b/d.
- **OPEC+** crude oil total supplies in June 2022, is increased by 279 thousand b/d, or 0.7% comparing with previous month level to reach 39.5 million b/d. Non-OPEC supplies, which are members in OPEC+, increased by 0.5% to reach 15 million b/d. And OPEC-10 supplies, which are members in OPEC+, increased by 0.9% to reach 24.5 mb/d.
- US tight oil production increased in June 2022 by 141 thousand b/d compared to previous month level to reach 8.789 million b/d. Production is expected to continue rising in July and August 2022 to reach 9.069 million b/d. On other development, US oil rig count increased in June 2022 by 14 rigs, to stand at 662 rigs.

US tight oil production and oil rig count

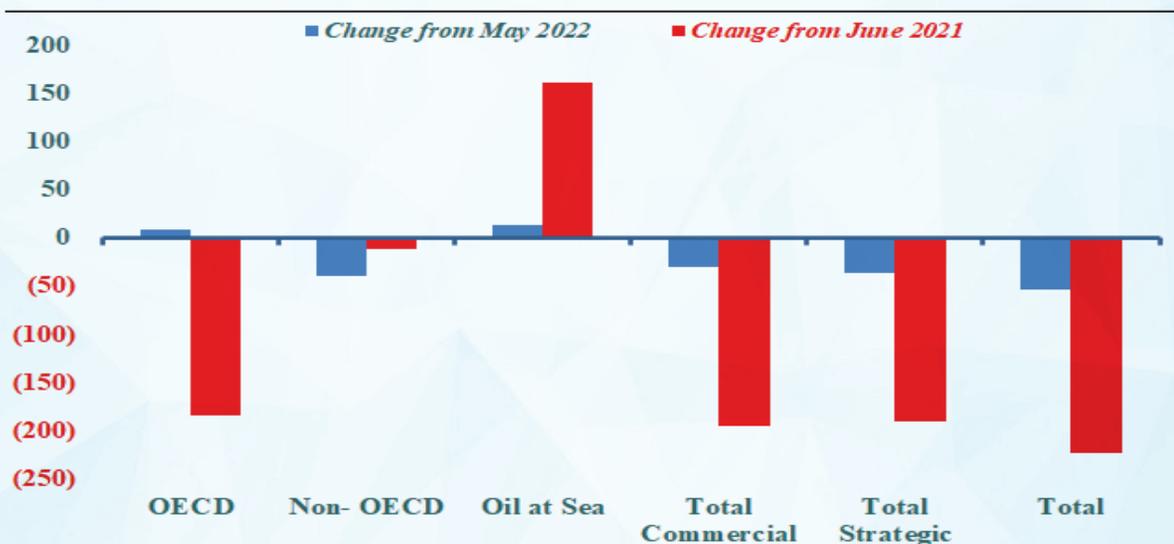


Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions July 2022.

3. Oil Inventories

- OECD commercial inventories in June 2022 increased by 9 million barrels from the previous month level to reach 2700 million barrels, whereas strategic inventories decreased by 36 million barrels from the previous month level to reach 1638 million barrels.

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



Source: Oil Market intelligence, Sept. 2021 and July 2022.

4. Oil Trade

US Oil Imports and Exports

- US crude oil imports in June 2022, increased by 2% from the previous month level to reach about 6.5 million b/d, whereas US crude oil exports decreased by 9.8% to reach about 3.3 million b/d.
- US petroleum products imports in June 2022 decreased by 6.9% from the previous month level to reach about 2 million b/d, whereas US petroleum products exports increased by 2.8% to reach 6.3 million b/d.

Second: Natural Gas Market

1. Prices

- The average spot price of natural gas at the Henry Hub decreased in June 2022 to reach \$7.7/million BTU.
- The price of Japanese LNG imports in May 2022 increased by \$0.38/m BTU to reach \$15.59/m BTU, the price of Chinese LNG imports increased by \$1.17/m BTU to reach \$14.51/m BTU, and the price of Korean LNG imports increased by \$0.64/m BTU to reach \$14/m BTU. Whereas the price of Taiwan LNG imports decreased by \$2.62/m BTU to reach \$15.07/m BTU.

2. Exports

Arab LNG exports to Japan, South Korea and Taiwan were about 3.666 million tons in May 2022 (a share of 23.1% of total imports).

Tables Annex