

# OAPEC

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Organization of Arab Petroleum Exporting Countries



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## SIGNIFICANT OUTCOMES OF OAPEC MINISTERIAL COUNCIL'S 107<sup>TH</sup> MEETING







## The Cover



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# Contents

## IN THIS ISSUE

**6**

**OAPEC  
ACTIVITIES**

**20**

**PETROLEUM  
DEVELOPMENTS**

**24**

**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 107TH MEETING OF OAPEC COUNCIL OF MINISTERS

8



## NATURAL GAS SECTOR WITNESSED IMPORTANT DEVELOPMENTS IN 2020

10



## BEN SABT: OAPEC KEEN ON HIGHLIGHTING ARAB UNDERSTANDING OF ENERGY AND DEVELOPMENT ISSUES

16

### • 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.

## SIGNIFICANT OUTCOMES OF OAPEC MINISTERIAL COUNCIL'S 107TH MEETING

OAPEC Ministerial Council's 107th Meeting was held on 9 December 2021 (via videoconferencing) and chaired by HRH Prince Abdul Aziz bin Salman Al Saud, Minister of Energy of Saudi Arabia. The meeting was a success with the active participation of their Excellencies members of OAPEC's Council of Ministers. Significant decisions and recommendations have been made, which contribute to supporting the progress of the member countries' cooperation in petroleum industries, as well as, providing tangible support to OAPEC activities represented in its Secretariat General.

The ministers and heads of delegation have been informed about the activities carried out by the Secretariat General throughout the year within the framework of the Organisation's role activation plan. Their Excellencies the ministers expressed their appreciation for these efforts and encouraged their continuity.

They were also informed about endeavours to activate ties between OAPEC and its joint ventures (JVs), as well as, the results achieved in line with the action plan endorsed by the joint taskforce between the two sides. Challenges facing the JVs and means to overcome them have also been highlighted. The Council appreciated these efforts and called for their continuity in a way that enables these JVs to meet the purpose for which they were established.

In an important step that underscores the member countries' interest in environment and sustainable development issues, OAPEC Council of Ministers tasked the Executive Bureau to coordinate with Saudi Arabia to work with the member countries to contribute to the activation of the "Green Middle East Initiative" launched by HRH Crown Prince Mohammed bin Salman. This is in addition to working with the member countries to adopt the concept of circular carbon economy



as an approach that contributes to the treatment of carbon emissions in an economically sustainable way and enlist it as part of the NDCs of each country according to the member countries' circumstances and priorities.

The Council of Ministers also approved Qatar's hosting of the 12th Arab Energy Conference in Q4/2023. This will be the third time Doha hosts this event as the city hosted the second Conference in 1982 and the ninth in 2010. OAPEC Secretariat General will take immediate action in preparation for organising this important Arab event in coordination with the State of Qatar.

The Arab Energy Conference was launched back in 1979, the oldest ongoing energy conference in the Arab World. The Conference aims at bringing Arab views together to find a common ground on oil and energy issues, coordinating ties between Arab energy institutions, and linking energy issues with developmental

issues in the Arab countries. This is in addition to studying the Arab energy needs now and in the future, and the means to meeting them, as well as, identifying Arab potentials and efforts to develop energy resources, while recognising international energy developments and their impacts on the Arab countries.

On this occasion, OAPEC Secretariat General avails itself of this opportunity to congratulate the State of Qatar on winning the organisation of the 12th Arab Energy Conference. We hope cooperation in energy and petroleum industries between Arab countries in general, and the member countries in particular, meets the aspirations and purposes for which the Arab Energy Conference was launched, especially in terms of occupational expertise exchange between Arab experts and specialists in oil and gas; new energies and renewables; electricity; environment and climate change; energy economics and technology; as well as, international energy experiences.



CHAired BY HRH PRINCE ABDULAZIZ BIN SALMAN BIN ABDULAZIZ AL SAUD

## THE 107<sup>TH</sup> MEETING OF OAPEC COUNCIL OF MINISTERS



OAPEC Council of Ministers held its 107th Meeting, via videoconferencing, on 9 December 2021, chaired by His Royal Highness Prince Abdulaziz bin Salman bin Abdulaziz Al Saud, Minister of Energy of the Kingdom of Saudi Arabia, that holds the presidency of the session for the year 2021; in the presence of Their Excellencies members of the Council of Ministers of the Organization.



The Chair opened the meeting by welcoming their Excellencies the ministers, wishing them success in deliberating the topics on the meeting's agenda, while stressing the importance of cooperation between member countries in achieving the goals of the Organization.

His Royal Highness welcomed His Excellency Mr Mohamed Arkab, Minister of Energy and Mines in the People's Democratic Republic of Algeria; His Excellency Mr Ihsan Abdul Jabbar Ismail, Minister of Oil in the Republic of Iraq; His Excellency Dr Mohammed Abdullatif Al Fares, Minister of Oil and Minister of Higher Education in the State of Kuwait; and His Excellency Eng. Mohamed Oun, Minister of Oil and Gas in the State of Libya, who are taking part for the first time in the Council of Ministers meetings, wishing them success in their new duties. He also extended thanks to members of the Executive Bureau and the Secretariat General, as well as, the Secretary General, for their efforts throughout the year reiterating that these meetings contribute to achieving the goals for which the organization was established.

He was followed by HE Ali Sabt Ben Sabt, OAPEC Secretary General, who welcomed their Highnesses and Excellencies the ministers, stating that he was looking forward to their continued support for OAPEC activities. He also welcomed the ministers who were taking part in these meetings for the first time wishing them all success in their new posts.

**After approving the agenda, the Council deliberated, discussed, and then endorsed the following:**

- Approving the minutes of the 106th Meeting of OAPEC Council of Ministers, which was held at the level of Reps via videoconferencing, on 22 May 2021
- Approving the Organization's projected budget (Secretariat General and Judicial Tribunal) for the year 2022.
- The Council was informed about the



HIS ROYAL HIGHNESS PRINCE ABDULAZIZ BIN SALMAN BIN ABDULAZIZ AL SAUD  
**THE MEETINGS CONTRIBUTE TO ACHIEVING THE GOALS  
FOR WHICH THE ORGANIZATION WAS ESTABLISHED**



HE ALI SABB BEN SABB, OAPEC SECRETARY GENERAL  
**LOOKING FORWARD TO YOUR CONTINUED  
SUPPORT FOR OAPEC ACTIVITIES**

Secretariat General report on the progress in implementing the Organization's role activation plan. In this regard, the Council expressed their appreciation for the tireless efforts made by the Secretariat General in the framework of implementing the plan and called for their continuation.

- The Council took note of the 50th Annual Report that reviewed the activities of



OAPEC Joint Ventures (JVs) in 2020 and Q1/2021, as well as, the JV's 50th Annual Coordinating Meeting on 23 and 24 October 2021, in Cairo, Egypt, which underscored the continued cooperation amongst them.

- The Council also reviewed a report on the efforts exerted to activate relations between the Organization and its JVs and the results achieved according to the action plan approved by the joint taskforce, including: unified meetings between the two sides, challenges facing the JVs' work and means to overcome them, and results achieved within the approved work plan. The Council appreciated the efforts made by the Secretariat towards activating the relationship with its JVs, calling for the continuation of these efforts in a way that enables these JVs to achieve the purpose for which they were established.
- OAPEC Executive Bureau has been assigned to coordinate with the Kingdom of Saudi Arabia to work with the member countries to contribute to activating the "Green Middle East" Initiative launched by His Royal Highness Crown Prince Mohammed bin Salman bin Abdulaziz, in addition to working with the member countries to adopt the concept of circular carbon economy as an approach that contributes to addressing carbon emissions in an economically sustainable

manner, and to include it in the national contributions of each country, in a manner consistent with the conditions and priorities of the member countries.

• **The Council approved the State of Qatar's hosting of the 12th Arab Energy Conference during the last quarter of 2023.**

**The Council took note of the Secretariat General report on:**

- Studies carried out by the Secretariat General during 2021 (9 technical and economic studies on oil and energy were completed)
- The Secretariat General's Report on the "World's Petroleum Conditions"
- Follow-up on environmental and climate change issues, most importantly the outcomes of the United Nations Conference on Climate Change (COP 26), which was held in Glasgow, United Kingdom.
- The workflow of the Databank and the development of its activities.
- Activities organized by the Secretariat General during the second half of 2021.
- The arbitration results of the OAPEC Scientific Award for the Year 2020 on the topic "Environmental Research relevant to Petroleum and Energy". Winners were announced: the first prize (KD 7000) won by three participating research works, as follows: Algeria, Algeria and Egypt. The second prize (KD 5000) was won by three other research works, as follows: Algeria, Kuwait, Kuwait.
- The Syrian Arab Republic will assume presidency of the next session of the Council of Ministers and the Executive Bureau, for a year as of January 2022.
- It has been agreed to hold the next Ministerial Meeting in Kuwait in December 2022.



# THE 161<sup>ST</sup> MEETING OF OAPEC EXECUTIVE BUREAU



HE Dr. Miloud Medjelled  
Algeria



HE Fyhan M. AL Fihany  
Bahrain



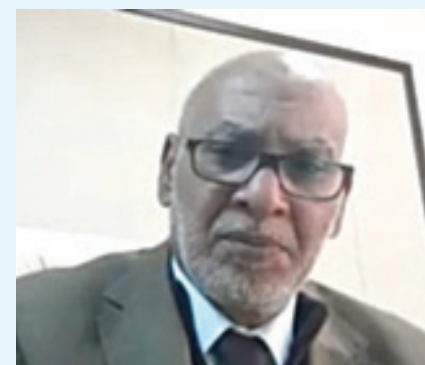
HE Geologist Ashraf Mahmoud Mohammad Faraj  
Egypt



HE Eng. Naseer Aziz Jabbar  
Iraq



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



HE Advisor. Adel Jebril  
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 161st Meeting via videoconferencing on 7 December 2021. It was chaired by Algeria's Representative at OAPEC Executive Bureau, HE Dr Medjelled Miloud, with the participation of their Excellencies members of the Executive Bureau. The meeting aimed at finalising preparations for OAPEC's 107th Ministerial Meeting on 9 December 2021 (via videoconferencing).



## OAPEC SECRETARY GENERAL ALI SABT BEN SABT: NATURAL GAS SECTOR WITNESSED IMPORTANT DEVELOPMENTS IN 2020



**OAPEC Secretary General, HE Ali Sabt Ben Sabt, stated that the natural gas sector witnessed many important developments during 2020, due to the unprecedented shock caused by the (Covid-19) pandemic to the global economy, which shrank by about 3.1%, leading to a decline in global demand for gas by 1.8%, for the first time in a decade, and the third historically. As a result of the decline in demand, many countries were forced to cut their gas production and reduce investments in exploration and production activities, and accordingly, the world's gas production decreased by 2.9% in 2020.**

In a speech during the opening of the “20th Meeting on Cooperation Potentials in Natural Gas Investment in OAPEC Member Counties”, he added that the demand for gas in Arab countries did not see a decline due to the pandemic, but rather settled at 44 billion cubic feet/day with a slight annual growth of about 0.1%. he said this is attributed to

the position that natural gas enjoys in many sectors, especially the electricity sector.

HE Ben Sabt explained that the Arab countries’ exports of liquefied natural gas were only slightly affected during the year 2020, as total exports amounted to about 106 million tons, compared to 109 million tons in 2019, and acquired a global market share





of 30%. He said this is primarily due to the nature of existing contracting based on long-term contracts between national companies in Arab countries and their clients in European and Asian markets, as the Arab countries are the main approved long-term supplier for major consumers in various markets, and the most reliable among all exporting countries.

He pointed out that with the advent of 2021, the global market for natural gas began recovering from the repercussions of the pandemic towards achieving stability, in light of the positive indicators to contain the spread of the pandemic and overcome its repercussions after the intensive vaccination campaigns conducted by many countries, and measures taken to lift restrictions on aviation and different economic activities. He clarified, however, that this stability did not last long, as a new crisis began looming due to the unprecedented sharp rise of natural gas prices in European markets, which reached more than \$30 per million British thermal units at the end of last September, as a result of the recovery in demand, the scarcity of LNG supplies, and drop of gas stocks to their lowest level in the past five



years.

HE Ben Sabt underscored the keenness of OAPEC Secretariat General to follow up on the developments of the global natural gas market on a regular basis, as it issued several statements and periodical reports on the developments in the global liquefied natural gas sector, and their impact on the Arab countries that enjoy a prestigious position in the global energy scene. He also stressed the need to continue injecting investments into the natural gas sector to boost production levels, in order to ensure a balance of supply and demand in the medium and long term and the stability of the global natural gas market, which has become one of the main drivers of the global economy and a key element in the process of energy transition.





## OAPEC SECRETARY GENERAL ALI SABT BEN SABT

# SIGNIFICANT INCREASE IN THE TOTAL REFINING CAPACITY IN OAPEC COUNTRIES

OAPEC Secretary General, HE Ali Sabt Ben Sabt, said that OAPEC member countries have witnessed important developments in the petroleum industry in general, and the refining and petrochemical industries in particular, through the development of existing facilities and building new ones using the latest scientific research findings of advanced technologies that contribute to the advancement of the industry's performance and enhance its competitiveness to become one of the most important centres for exporting high-quality petroleum and petrochemical products to global markets.

This came in a speech by the Secretary General during his inauguration of the first meeting of experts in the downstream industries in OAPEC member countries, which was held on 9 November 2021 (via videoconferencing), with the participation of a group of experts from the member countries.

HE Ben Sabt added that the total refining capacity in OAPEC member countries recorded an unprecedented increase during the past decade from about 6.9 million barrels per day to 8.52 million barrels per day at the present time, an increase of about 23.5% of the total refining capacity of OAPEC

countries. This increase came as a result of the operation of two new refineries in the Kingdom of Saudi Arabia: Jubail Refinery (SATORP) and the Yanbu Refinery (YASREF), in addition to the initial operation tests of a new refinery in Jazan; and the operation of "Ruwais-West" refinery in the United Arab Emirates. The total refining capacity in OAPEC member countries is expected to rise to 11.24 million barrels per day by 2025, as a result of the expansion and development projects currently being executed in existing refineries, in addition to the establishment of a number of new refineries, such as the clean fuel





project in the State of Kuwait.

In his speech, the Secretary General reviewed the current developments in the petrochemical industry in OAPEC member countries, where the ethylene production capacity increased from 13.8 million tons per year in 2000, which represented about 10.32% of the total ethylene production capacities in the world, to reach 25.8 million tons per year in 2020, representing about 15.2% of the total ethylene production capacity in the world.

HE Ben Sabt stressed that OAPEC member countries have paid great attention to health, safety and environment issues, as well as, the application of best practices that guarantee the protection of petroleum installations, reduce the occurrence of hazardous accidents and observe the safety of humans and environment. He added that the member countries are also paying attention to developing the skills and capabilities of those who work in the petroleum industry through organizing training courses and looking after human resources, being one of the most important national assets that drives the economic growth.

HE Ben Sabt also referred to the efforts made by OAPEC member countries in promoting scientific research activities to invent new technologies capable of improving the performance of the petroleum industry, enhancing its ability to face challenges, and enabling it to produce petroleum products in line with international standards, in addition to developing energy consumption rationalizing and producing clean, environmentally friendly energy.

The meeting also reviewed a number of technical papers presented by the participants; in addition to two technical papers by OAPEC Secretariat General, which highlighted the activities of the refining and

petrochemical industries and future projects in a number of member countries. The meeting ended with a number of recommendations, the most important of which:

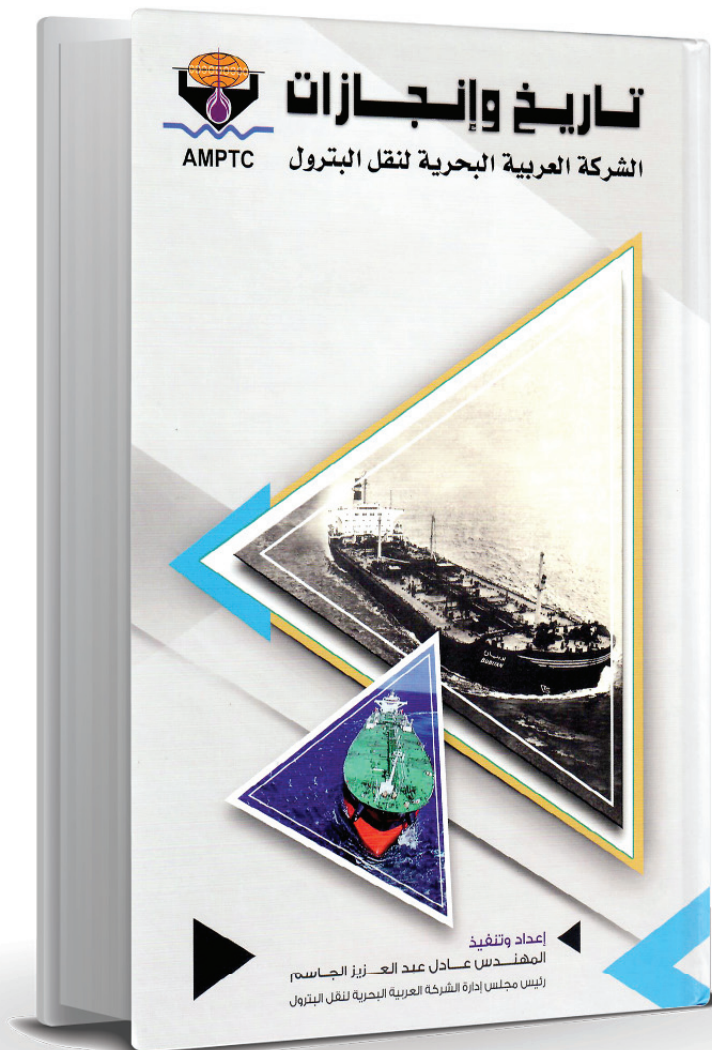
- Benefiting from OAPEC member countries potentials in enhancing the competitiveness of the refining industry in global markets, most importantly the availability of crude oil and natural gas, advanced infrastructure, skilled labour, and a geographic location close to promising consumption markets
- Working on the application of modern technology in improving production efficiency in the refining and petrochemical industry to meet challenges and elevate its performance to the desired levels.
- The need to enhance cooperation, coordination and exchange of expertise between oil refineries and petrochemical production facilities, international and Arab scientific research centres, and international and national oil companies in order to improve performance and productivity.

Worth noting is that this first meeting of the petroleum industry experts comes within the framework of the growing interest of OAPEC member countries in developing the performance of the petroleum industry and enabling it to face the challenges and difficulties it encounters, most importantly the fluctuations of crude oil prices globally, and the growing burdens of meeting the requirements of environmental legislation internationally; as well as, the decline in demand for petroleum products, the growing demand for petrochemicals, and intense competition in global markets.



## AMPTC RELEASES “HISTORY & ACHIEVEMENTS” COMMEMORATIVE BOOK

Celebrating its golden jubilee, The Arab Maritime Petroleum Transport Company (AMPTC), an OAPEC joint venture, released a book titled “History & Achievements” by the Company’s Chairman, Eng. Adel Al Jassem. The book narrates the Company’s story from establishment till today. It covers the Company’s most significant phases and challenges, as well as, its achievements throughout half a century. AMPTC distributed the book to senior petroleum officials in OAPEC member countries.



Worth noting that AMPTC was established in 1972 as the first OAPEC joint venture. Its headquarters are in Kuwait. The activities of the company were defined as covering all operations related to the marine transportation of hydrocarbons. Its capital is \$500 million with a fleet of 13 multi- purposes and different size tankers.

The company received cables of congratulations on the occasion from their Majesties, Highnesses and Excellencies the Leaders of the shareholder countries in AMPTC including Saudi Arabia, Kuwait, Qatar, Libya, UAE, Iraq, Algeria, Bahrain, and Egypt.





OAPEC Secretary General, HE Ali Sabt Ben Sabt, received on 29 November 2021, at his office, Engineer Adel Al Jassem, Chairman of the Arab Maritime Petroleum Transport Company (AMPTC), an OAPEC joint venture. Eng. Al Jassem presented HE Ben Sabt with a memorial shield on the occasion of the Company's golden jubilee.







IN AN INTERVIEW WITH ALNAQELAT MAGAZINE:

# BEN SABT: OAPEC KEEN ON HIGHLIGHTING ARAB UNDERSTANDING OF ENERGY AND DEVELOPMENT ISSUES







OAPEC Secretary General, HE Ali Sabt Ben Sabt, said that the establishment of OAPEC has been a turning point in the progress of the joint Arab action, through its focus on cooperation between the member countries in order to achieve common economic interests and advantages. He added that this has been realised through the founding of a group of joint ventures by the member countries, which are: Arab Maritime Petroleum Transport Company (AMPTC) (1972) in Kuwait City, Kuwait; Arab Shipbuilding and Repair Yard Company (ASRY) (1973) in Manama, Bahrain; Arab Petroleum Investments Corporation (APICORP) (1974) in Khobar, KSA; Arab Petroleum Services Company (APSCO) (1975) in Tripoli, Libya; and Arab Petroleum Training Institute (APTI) (1978) in Baghdad, Iraq.





Talking to ALNAQELAT “Tankers” Magazine issued by AMPTC, HE Ben Sabt added that OAPEC joint ventures have actively contributed to boosting the progress of the Arab petroleum industry through their joint or individual petroleum projects and funding of numerous petroleum projects in many Arab countries, whether OAPEC members or non-members.

He explained that OAPEC seeks the cooperation of its member countries in the various aspects of the petroleum industry in order to strengthen ties between them in this respect. The Organisation also aims at identifying the best means to preserve its member countries’ legitimate interests in the industry, whether collectively or individually, and unifying efforts to secure petroleum for consuming markets at reasonable conditions, in addition to creating a healthy atmosphere for attracting financial capital and expertise to invest in the petroleum industry in the member countries.

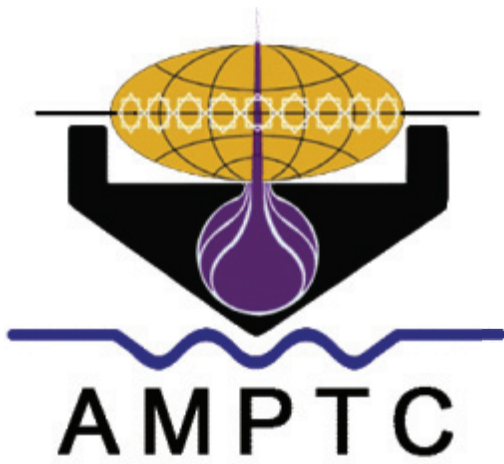
The Secretary General indicated that OAPEC has been adopting various approaches to achieve these goals including taking measures to coordinate the member countries’ economic petroleum policies whenever possible, taking measures to reconcile the legal systems in force in member countries to

the extent that enables (the organization) to carry out its activities, this is in addition to helping the member countries with exchanging information and expertise, while providing training and job opportunities for the member countries’ citizens. HE Ben Sabt added that the Organisation also helps the cooperation of its member countries in solving the problems they encounter in the petroleum industry, and benefiting from the members’ resources and capabilities in establishing joint ventures.

He stressed that OAPEC joint ventures are one of its prime achievements. HE Ben Sabt said that the Secretariat General is currently playing an active coordinating role between these JVs with the aim of boosting cooperation and addressing current and future challenges in the oil and gas industry.

He pointed out that OAPEC Secretariat General is keen to enhance direct communication with the Organization’s JVs, by inviting them to its activities, such as conferences, seminars, workshops and forums (on the fundamentals of the oil and gas industry), whether as lecturers or as trainees. He elaborated saying that over the past years, experts and specialists in these JVs have contributed to presenting a large number of scientific papers, studies and research at the scientific events held by





# الناقلات

مجلة فصلية تصدر عن الشركة العربية البحرية لنقل البترول  
العدد الرابع عشر - أكتوبر 2021

في حوار خاص  
الناقلات تلقتي معالي الأمين العام  
لمنظمة الاقطار العربية المصدرة  
للبنترول "أوابك"



إنطلاق أعمال الإجتماع  
التنسيقى الخمسون  
للشركات المنبثقة  
عن منظمة "أوابك"



مجلس إدارة الشركة العربية البحرية لنقل  
البترول يعتمد تحديث أسطول الشركة  
ببناء 4 ناقلات



the Organization.

He said that the Organization is keen on boosting and developing its relations and contacts with the world in order to present the Arab concept on energy and development issues, and to explore prospects for economic and technical cooperation between the member countries and oil consuming countries as well as developing countries. Over the past years, the Organization has achieved an active presence in many international forums related to oil and gas, environmental issues, climate change

and sustainable development, while actively works with other relevant Arab organizations in defending the interests of the Arab countries at international forums.

HE Ben Sabt concluded that the Secretariat General is keen on following up on all current developments in the global petroleum industry, and monitoring their repercussions on the economies of the member countries, through its technical and economic studies covering petroleum, gas and energy industries at a rate of 10 studies a year.



# Monthly Report on Petroleum Developments in The World Markets



## Monthly Report on Petroleum Developments In The World Markets

**December 2021**

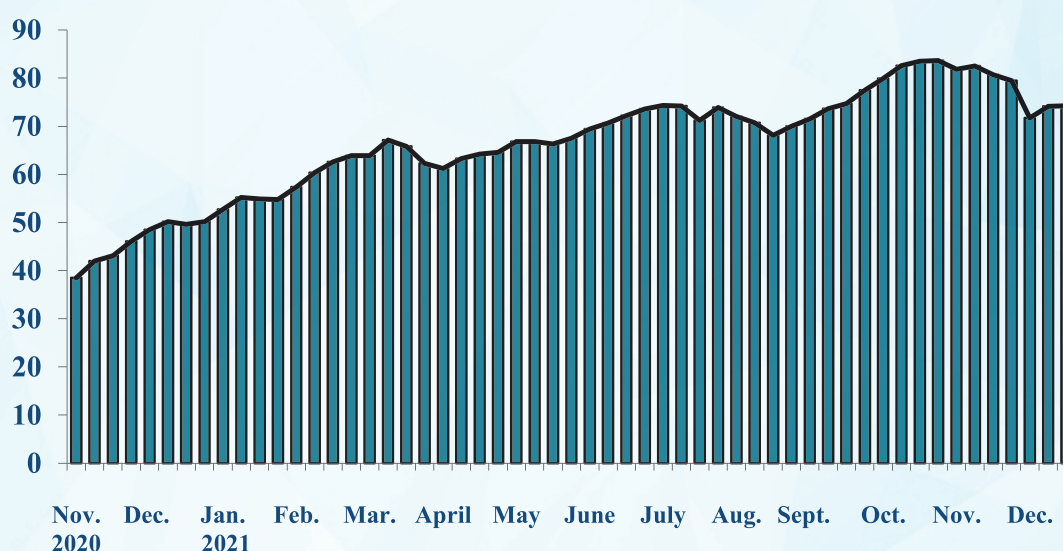
### **First: World Oil Markets**

#### **1. Oil Prices**

OPEC primary estimates indicate that OPEC Reference Basket price decreased in December 2021 by 8.6% compared to the previous month, to reach \$73.49/bbl. While annual price of OPEC Basket is expected to increase in 2021 by 68% compared to 2020, to reach \$69.66/bbl.

It's worth mentioning that, OPEC Reference Basket decreased in November 2021 by 2.1% or \$1.7/bbl compared to the previous month, to reach \$80.4/bbl. This is mainly attributed to fears of the Omicron variant of COVID-19 as well as a surge in COVID-19 cases in Europe and other regions. These developments raised concerns that the reinstatement of lockdown measures and mobility restrictions could derail the global economic and dampen demand for transportation fuels.

#### **Weekly Average Spot Prices of OPEC Basket of Crudes, 2020-2021 (\$/bbl)**



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

#### **2. Supply and Demand**

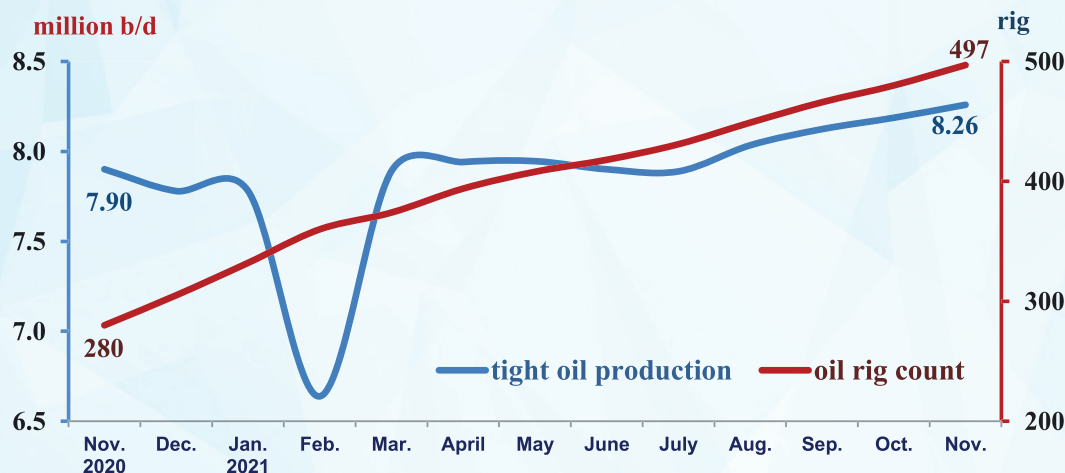
- Primary estimates indicate that world oil demand is increased in Q4 2021 by 1.9% compared with previous quarter, to reach 99.5 million b/d. As demand in OECD countries decreased by 0.7% to reach 45.6 million b/d. Whereas demand in Non-OECD countries increased by 4.2% to reach 53.9 million b/d.



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 November 2021, increased by 902 thousand b/d or 0.9% comparing with previous month level to reach 97.9 million b/d. Non-OPEC supplies increased by 1% to reach 65 million b/d, and OPEC supplies increased by 0.9% to reach 32.9 million b/d.
- **OPEC+** crude oil total supplies in November 2021, is increased by 325 thousand b/d, or 0.9% comparing with previous month level to reach 37.3 million b/d. Non-OPEC supplies, which are members in OPEC+, increased by 0.6% to reach 13.9 million b/d. And OPEC-10 supplies, which are members in OPEC+, increased by 1.1% to reach 23.4 mb/d.
- US tight oil production increased slightly in November 2021 by 72 thousand b/d compared to previous month level to reach 8.259 million b/d. Production is expected to continue rising in December 2021 and January 2022 to reach 8.439 million b/d. On other development, US oil rig count increased in November 2021 by 17 rigs, to stand at 497 rigs.

### US tight oil production and oil rig count



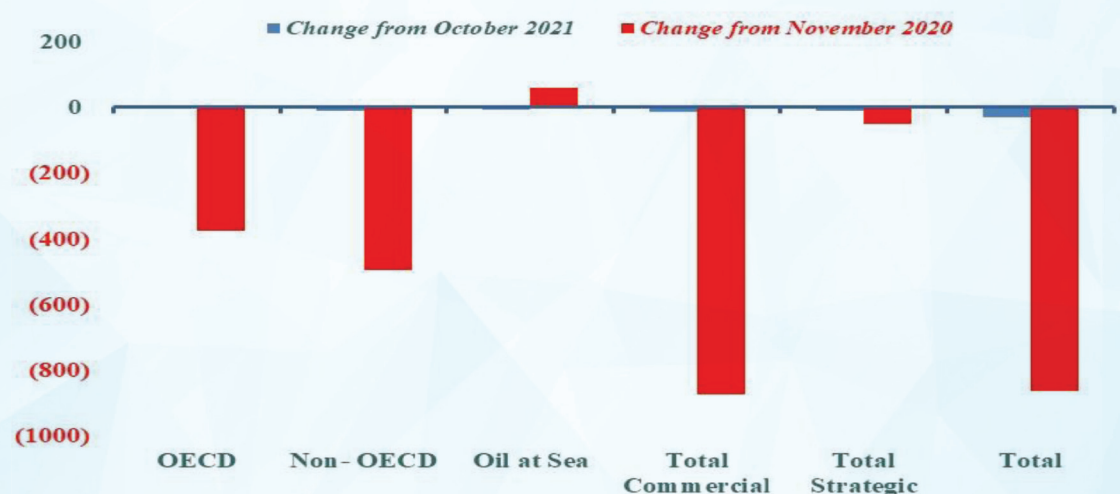
Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions Dec. 2021.

### 3. Oil Inventories

- OECD commercial inventories in November 2021 decreased by 5 million barrels from the previous month level to reach 2732 million barrels, and strategic inventories decreased by 9 million barrels from the previous month level to reach 1797 million barrels.



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



Source: Oil Market intelligence, February and December 2021.

## 4. Oil Trade

### US Oil Imports and Exports

- US crude oil imports in November 2021, increased by 4.5% from the previous month level to reach about 6.3 million b/d, and US crude oil exports increased by 6.2% to reach about 3 million b/d.
- US petroleum products imports in November 2021 increased by 2% from the previous month level to reach about 2.1 million b/d, and US petroleum products exports increased by 4.1% to reach 5.3 million b/d.

## Second: Natural Gas Market

### 1. Prices

- The average spot price of natural gas at the Henry Hub decreased in November 2021 to reach \$5.05/million BTU.
- The price of Japanese LNG imports in October 2021 increased by \$0.96/m BTU to reach \$11.65/m BTU, the price of Korean LNG imports increased by \$1.89/m BTU to reach \$12.85/m BTU, and the price of Chinese LNG imports increased by \$1.18/m BTU to reach \$12.76/m BTU.

### 2. Exports

Arab LNG exports to China, Japan and South Korea were about 2.655 million tons in October 2021 (a share of 18.1% of total imports).

## Tables Annex