

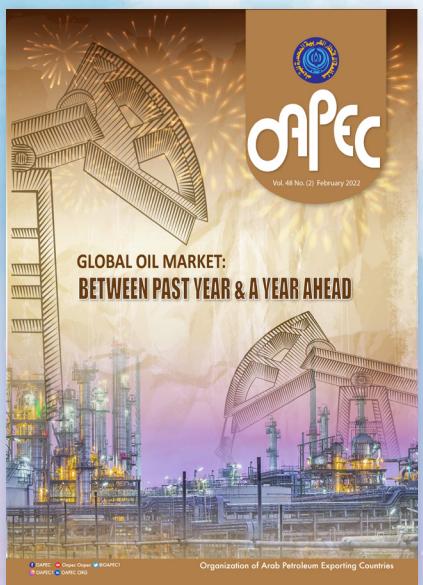


OAPEC

Vol. 48 No. (2) February 2022

# GLOBAL OIL MARKET: BETWEEN PAST YEAR & A YEAR AHEAD

# 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.



**OAPEC SECRETARY GENERAL  
INAUGURATES “SEISMIC DATA  
INTERPRETATION” TRAINING COURSE**

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حرق الغاز على الشعلة  
(FLARING)  
ما هو الحجم  
الفعلاني المشكلة

إعداد المهندس  
نرگي حسن جوش  
دبير بنول / استاذ مراج

- 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: BETWEEN PAST YEAR & A YEAR AHEAD



By **HE Ali Sabt Ben Sabit**  
OAPEC Secretary General

In spite of an unstable economic landscape worldwide with world economies continuing to suffer from the repercussions of the rapidly spreading COVID19 mutants, 2021 has passed leaving positive marks on the oil market. Oil supplies have grown at a rate of 1.5% reaching 95.1 million b/d. OPEC members accounted for about 33% of total global oil supplies, or about 31.5 million b/d.

Global oil demand recorded its largest annual growth rate ever with about 6.2% to reach 96.6 million b/d in 2021.

In light of the above data, the annual rate of global crude oil prices rose in 2021 by about 68.5% compared to the previous year, the highest rate recorded since 2011, to reach \$69.9 per barrel. A number of factors contributed in one way or another to price hikes, on top of which

are the efforts made by OPEC+ countries to achieve stability and balance in the global oil market, by taking a number of important decisions that contributed significantly to restricting global crude oil supplies, thus eliminating global oil stock gluts caused by COVID19 pandemic. This is in addition to launching vaccination campaigns at accelerated rates that led to easing restrictions on movement and travel related to the pandemic, helped to make great progress in resuming economic activity, increased global trade in goods significantly recording its highest quarterly level ever during the third quarter of the year, and also improved global manufacturing activity, albeit in a relative manner.

As for our member countries, the rise in oil prices during 2021 on the one hand, and the OPEC+ agreement on the gradual increase in production quotas that helped in achieving stability and balance in the global oil market on the other hand,

reflected positively on oil revenues. These revenues are the main drive of the economic and social development in OAPEC member countries and key to their central banks' foreign currency reserves, and the main booster of surpluses in their budgets. It is worth noting that OAPEC member countries' oil revenues in 2021 rose to reach \$426.6 billion, an increase of about \$188.7 billion, or 79.3% compared to 2020 levels.

Our member countries have spared no effort to continue playing their positive role towards stabilizing the oil market by meeting the growing global demand for oil. Both OPEC and the International Energy Agency (IEA) expect global oil demand to rise during 2022 at a rate ranging between 3.2- 4.2 million b/d to break the 100 million b/d barrier (between 100.6 to 100.8 million b/d), an unprecedented record level amid expectations of a strong economic recovery from the repercussions of the COVID19 pandemic.



## CONGRATULATIONS



وزارة الطاقة  
MINISTRY OF ENERGY



**OAPEC Secretary General, HE Ali Sibt Ben Sibt, sent a cable of congratulations to HRH Prince Abdulaziz Bin Salman Al Saud, Saudi Arabia's Minister of Energy, on the occasion of the Founding Day, wishing Saudi Arabia all prosperity and progress.**



وزارة النفط  
Ministry of Oil  
State of Saudi Arabia



**OAPEC Secretary General, HE Ali Sibt Ben Sibt, sent a cable of congratulations to HE Dr Nasser Al Dossari, Saudi Arabia's Rep. at OAPEC Executive Bureau, Advisor to Saudi Arabia's Minister of Energy and General Supervisor on international energy affairs, on the occasion of the Founding Day, wishing Saudi Arabia all prosperity and progress.**



**OAPEC Secretary General, HE Ali Sabt Ben Sibt, sent a cable of congratulations to HE Dr Mohammed Al Fares, Kuwait's Deputy Prime Minister, Minister of Oil, and Minister of Electricity and Water and Renewable Energy, and Acting Minister of Interior, on the occasion of Kuwait's National Day and Liberation Day, wishing Kuwait all prosperity and progress.**



**OAPEC Secretary General, HE Ali Sabt Ben Sibt, sent a cable of congratulations to HE Sheikh Dr Nimr Al Sabah, Undersecretary of Kuwait's Ministry of Oil and Kuwait's Rep. at OAPEC Executive Bureau, on the occasion of Kuwait's National Day and Liberation Day, wishing Kuwait all prosperity and progress.**



## OAPEC SECRETARY GENERAL INAUGURATES “SEISMIC DATA INTERPRETATION” TRAINING COURSE

OAPEC Secretary General, HE Ali Sabt Ben Sabt, inaugurated, on 10 January 2022, a series of activities of a training course on seismic data interpretation entitled “A New Model for Experimental Analysis of One-Dimensional and Two-Dimensional Seismic Features, with Practical Application on Data from Algeria”, which was held virtually, in cooperation with the Algerian Petroleum Institute, a subsidiary of the Algeria’s

Sonatrach. The course is designed to be held in two phases, the first phase on 10 January 2022, and the second phase on 17-19 January 2022, with the participation of a group of specialists from OAPEC member countries. The course reviews the method of experimental seismic analysis, which is a modern technique that allows the identification of small hydrocarbon traps that are difficult to deduce using traditional



**Ben Sabt:**

**OAPEC member countries are rich with good technical and training assets and have serious plans for activating the exchange of expertise**

techniques.

In his inaugural speech, HE Ben Sabt stated that the course is a fruit of the cooperation in the field of training between the Secretariat General and the member countries. He indicated that OAPEC member countries are rich with good technical and training assets and have serious plans for activating the exchange of expertise in the petroleum industry through organizing joint

training courses. He added that organising this training course in the beginning of 2022 underscores the tangible results of OAPEC role activation plan.

Ben Sabt concluded by extending thanks to the Algerian Petroleum Institute for their initiative to organize the course that embraced experts and specialists from oil and energy ministries of the member countries.



## OAPEC & KUWAIT'S OIL MINISTRY ORGANIZED A VIRTUAL PANEL DISCUSSION ON CLIMATE CHANGE

"Climate Agreement: Pros & Cons" was the title of a virtual panel discussion, presented by OAPEC's Climate Change Dossier Officer and Director of the Administrative Affairs and Finance Department, Mr Abdul Kareem Ayed. The event was organised by Kuwait's Ministry of Oil in collaboration with OAPEC Secretariat General on 12 January 2022, and attended by OAPEC specialists, Kuwait's Ministry of Oil staff, guests from the Public Authority for Environment and the Kuwait Institute for Scientific Research, as well as a number of media outlets.

Mr Ayed said that in light of the rising

global interest in climate change issues in terms of the developments of the United Nations Framework Convention on Climate Change since Rio conference to the 26th Conference of the Parties (COP 26) that was held in Glasgow, United Kingdom, in November 2021. The latter took place after a year's hiatus due to COVID19 pandemic, under unprecedented health challenges that the negotiating delegations had not faced before. He added that the Glasgow Climate Agreement (COP26) would maintain international hopes of avoiding the worst effects of global warming.



الحلقة النقاشية الافتراضية

## (اتفاقية المناخ .. مالها وما عليها)

السيد/ عبد الكريم عايد

مسئول ملف التغير المناخي - أوابك

يوم الاربعاء الموافق 12 يناير 2022م، عبر تطبيق ZOOM

وزارة النفط  
Ministry of Oil  
State of Kuwait

### ABDUL KAREEM AYED:

THE GLASGOW CLIMATE  
AGREEMENT “COP26” WOULD KEEP  
INTERNATIONAL HOPES OF AVERTING  
THE WORST EFFECTS OF GLOBAL  
WARMING ALIVE

Ayed also reviewed the most important initiatives released during the COP26 summit, represented by the pledges to deforestation and the global pledge on methane and disposal. He also referred to the Kingdom of Saudi Arabia's initiative on the Green Middle East and the application of circular carbon economy as a mechanism that contributes to addressing carbon emissions. He also reviewed the activities held on the COP 26 sidelines, as well as the positions of the negotiating groups regarding the various issues under negotiation. Ayed also tackled the consequences of the agreement and

its effects on the petroleum industry. He concluded by enlisting the most important issues that were the focus of the dispute represented in the amounts allocated to aid The Poorest countries on reducing their emissions and the issue of climate financing, by helping developing countries with an amount of \$100 billion; a matter that disturbed the negotiating scene and caused a crisis of mistrust between developing and developed countries.



## OAPEC AT THE 20<sup>TH</sup> KUWAIT/JAPAN JOINT SYMPOSIUM

# “ADVANCEMENT IN PETROLEUM REFINING INDUSTRIES”

As part of the joint scientific cooperation between OAPEC and the Kuwait Institute for Scientific Research (KISR), OAPEC received an invitation to take part in the 20th Kuwait/Japan Joint Symposium: “Advancement in Petroleum Refining Industries”, in cooperation with the Kuwait National Petroleum Company (KNPC), the Japan Cooperation Centre Petroleum (JCCP), and the Japan Petroleum Institute, on 7-8 February 2022, via videoconferencing.



Organization of Arab Petroleum Exporting Countries (OAPEC)

## Utilization of CO<sub>2</sub> in Petrochemical Industry

Dr. Yasser Boghdadi  
Petroleum Industries Expert  
Technical Affairs Department

8 February 2022  
8:30 - 8:50 - Kuwait

OAPEC Secretariat General presented a paper, on the second day of the symposium, entitled the «Utilisation of CO<sub>2</sub> in the Petrochemical Industry», by Dr Yasser Baghdadi, Oil Industries Expert. The paper shed light on the importance of applying carbon capture, use, and storage (CCUS) techniques on CO<sub>2</sub> emissions from exhaust gases of

production units, especially at petrochemicals production complexes in the Arab countries, with the aim of keeping pace with the global trend towards cutting CO<sub>2</sub> emissions, maximizing their uses in boosting the production of some petrochemical products, and increasing profitability. The production of ammonia, urea, and methanol is at the





**20<sup>th</sup> Kuwait /Japan Joint Symposium Advancement in "Petroleum Refining Industries"**  
7-8 February 2022  
Kuwait

**Utilization of CO<sub>2</sub> in Petrochemical Industry**

Dr. Yasser Boghdadi  
Petroleum Industries Expert  
Technical Affairs Department

Efforts of OAPEC Member Countries to Utilize of CO<sub>2</sub>

CO<sub>2</sub> Emissions In Arab Countries 2.1 Billion TCO<sub>2</sub>/ year 6.1 % of Global CO<sub>2</sub> Emissions

Products: H<sub>2</sub>, CO, Methane, Ethanol, HCOOH, Methanol

Phase 1: Carbon Capture Process

Production → Separation  
Capture → Chemical Absorption  
MEA  
Solvents are used to separate CO<sub>2</sub> from the other components of the flue gas

forefront of chemicals whose production can be boosted by using CO<sub>2</sub> as a raw material.

The paper indicated that CCUS projects are concentrated in a number of Arab countries, including the United Arab Emirates, the Kingdom of Bahrain, the People's Democratic Republic of Algeria, the State of Qatar, and the Kingdom of Saudi Arabia. CCUS projects have also become closely linked to low carbon hydrogen production projects. Recently, many projects related to the production of blue hydrogen, whose production depends on carbon dioxide capture technology, have started to open in a large number of countries worldwide, including Arab countries.

The paper concluded by some recommendations highlighting that the Arab countries, especially OAPEC members, have many potentials that enable them to expand the development of carbon capture projects to boost the production of petrochemicals and blue hydrogen, which represents a good opportunity for the oil and gas industry in the member countries to enhance their plans on cutting carbon emissions in line with global trends.

Eng. Emad Mekki, Director of the Technical Affairs Department, and Eng. Wael Hamed, Gas Industries Expert, at OAPEC, took part in the event.



# OAPEC: BLAMING ARAB COUNTRIES FOR CARBON EMISSIONS IS EXAGGERATED



Eng. Turki Hemesh



In its latest report entitled “Gas Flaring... What is the actual size of the problem?”, OAPEC confirmed that the Arab countries combined release only 5% of the world’s total carbon dioxide emissions. Carbon dioxide produced by gas flaring in Arab countries is much lower than 1% of the world’s total carbon dioxide. Therefore, pointing the finger at Arab countries in this regard is an exaggeration.

The report, prepared by Eng. Turki Hemesh

from the OAPEC’s Technical Affairs Department, made it clear that the issue of gas flaring draws serious attention when considering environmental issues, and based on estimates of flared gas globally, CO<sub>2</sub> emissions compared to the amount of flared gas circulating globally can be estimated at about 300 million tons, technically representing about 1% of the total amount of carbon dioxide produced by other sources worldwide.



# THE JOINT ARAB ECONOMIC REPORT 2021 RELEASED

The Joint Arab Economic Report 2021 was released recently. It is prepared jointly by the Secretariat General of the League of Arab States (LAS), the Arab Fund for Economic and Social Development, the Arab Monetary Fund (AMF), and the Organization of Arab Petroleum Exporting Countries (OAPEC). The report tackled developments in global economies and their implications for Arab economies and economic and social developments in the Arab countries in 2021.

The report has also reviewed developments in: agriculture, industry, oil, energy, public financing, monetary and banking conditions, Arab stock markets, foreign trade, Arab intra-trade, balance of payments, public debts in foreign currencies, currency exchange rates, Arab developmental aids, Arab cooperation on environment and its role in achieving sustainable development. The pivotal chapter of this year's report has focused on the "Arab Economic Reform Priorities in Light of COVID\_19 Pandemic".

OAPEC Secretariat General prepared the chapter on oil and energy developments, which covers the general status of exploration; reserves; Arab and global output; energy demand; global oil inventories (commercial and strategic); crude oil, petroleum products

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العربي الموحد  
2021



and gas products prices; oil and gas exports; and the value of Arab oil exports while giving an overview of the potential implications for Arab economies. OAPEC also prepared the section on hydrocarbon industries in Chapter 4 on the industrial sector.

It is worth noting that the Joint Arab Economic Report has become a key reference that enjoys growing demand by researchers, specialists, Arab institutions, and those interested in the field.



## AL OLAMA: UAE EXPANDING IN CLEAN ENERGY SECTOR

The United Arab Emirates and Germany have discussed cooperation in green hydrogen energy during Abu Dhabi Sustainable Week held recently.

A virtual meeting between the task force from the 'Declaration of Intent' of the joint cooperation signed by both countries in 2017, discussed cooperation between the two countries for green hydrogen production and support projects in the area.

His Excellency Eng. Sharif Al Olama, Undersecretary of the Ministry of Energy and Infrastructure for Energy and Petroleum Affairs and UAE Rep at OAPEC Executive Bureau, chaired the sixth meeting with Dr Patrick Graichen, State Secretary at the Federal Ministry of Economic Affairs and Climate Action.

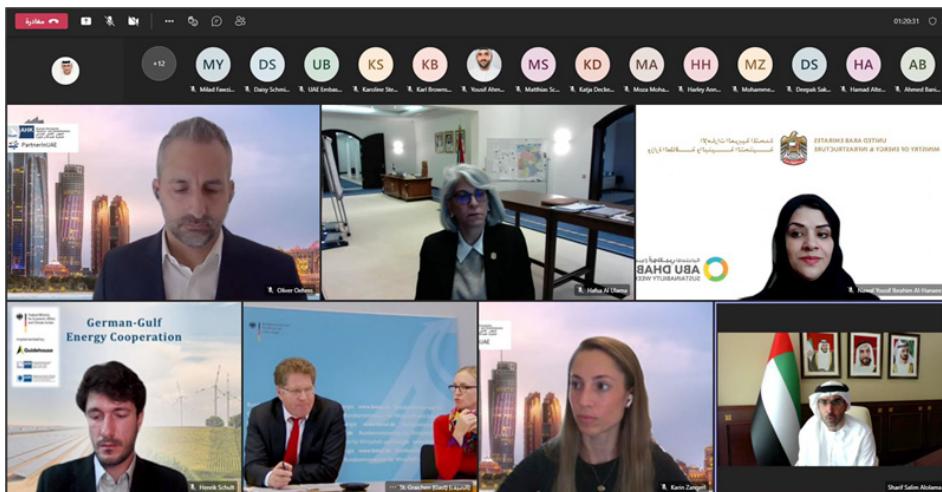
The meeting was attended by His Excellency Eng. Ahmed Al Kaabi, Assistant Undersecretary for Petroleum, Gas and Mineral Resources, and His Excellency Eng. Yousef Al Ali, Assistant Undersecretary for the Electricity, Water and Future Energy Sector at the Ministry of Energy and Infrastructure.

Ambassador of Germany in the UAE Ernst Peter Fischer, and Oliver Oehms, CEO of the German Emirati Joint Council for Industry

and Commerce attended the meeting with other energy officials in both countries and representatives from the private sector.

At the meeting, Al Olama stated that the joint task force announced in November 2021, aims to boost the benefit of the bilateral ties in the clean energy sector, particularly the green hydrogen through strengthening the collaboration and ties between both countries, private sector, research institutes and organizing a forum to discuss the challenges in the green hydrogen market and achieve Paris Agreement goals.

The participants discussed renewable energy systems including energy markets and regional connectivity, as well as, exploring ways to exchange knowledge, regional cooperation, and



## AL OLAMA:

**Determining cooperation priorities and activities to be implemented within the framework of the partnership between the two countries**

improve energy efficiency in the industry and buildings and enhance exchanging practices in the sustainable cooling systems.

Moreover, they discussed climate change challenges and the possibility to make a strategic dialogue between UAE and Germany before COP28, in addition to empowering women in the energy sector and support joint initiatives and innovation centers between the two countries.

Al Olama, welcomed the participants in the meeting and commended the bilateral ties between the UAE and Germany to develop the coordination in different sectors, particularly the energy sector.

He pointed that both countries achieved success after five years of signing the 'Declaration of Intent' with hopes to endure the joint work for the benefit of both sides.

Al Olama, briefed the German officials about the developments in the UAE's energy sector, mainly projects of the 50, and unique initiatives and ambitious projects by the country for transformation into renewable, clean energy, in line with the global targets of climate change, Paris agreement and the UAE's strategic initiative to achieve climate neutrality by 2050, as well as, latest preparation by the UAE for hosting the United Nations Climate Conference COP28 in 2023.

He talked about the latest changes in the energy sector amid the current situation and

the country's efforts for the efficiency of the energy sector.

He affirmed that UAE is a pioneer in developing renewable and clean energy and searching for alternative solutions in the energy sector to support sustainable development.

He said that hydrogen energy is one of the options to achieve sustainable development in the UAE with the possibility of producing from the available sources such as oil, gas, and renewable sources like solar energy and wind in addition to geothermal energy and from fossil fuel sources.

He added that UAE managed to grow in the clean energy sector in a record time, particularly hydrogen as a promised source of future energy.

He invited companies, Emirati and German business community to take advantage of the bilateral ties between the two countries and discover investment opportunities in the energy, oil, gas, and hydrogen sectors which are a considerable pillar of the national economy of the two friendly countries.

Moreover, Al Olama, participated in a workshop titled (Enabling Global Hydrogen Trade) as part of the joint work between the two countries. The workshop meant to exchange views on hydrogen trade, the role of the UAE and Germany in this sector, supportive plans to boost the global trade-related to hydrogen transportation means, and issuing verified certificates.



الشركة العربية للاستثمارات البترولية  
Arab Petroleum Investments Corporation

IsDB  
البنك الإسلامي للتنمية  
Islamic Development Bank

ابيكورب  
APICORP



## APICORP AND ISDB PARTNER IN \$1 BILLION INFRASTRUCTURE FINANCING INITIATIVE

**The Arab Petroleum Investments Corporation (APICORP), an OAPEC Joint Venture, and the Islamic Development Bank (IsDB) have established the Infra Initiative, a \$1 billion private sector-focused infrastructure financing initiative.**

The Infra Initiative's funds will be used to finance strategic utility projects that contribute to human and economic development in the two multilateral financial institutions' member countries and their respective national development strategies.

The two institutions will jointly identify and deliver structured finance facilities to utilities projects with limited access to international financing. Under the Infra Initiative, funds will be allocated to electricity generation and transmission projects which utilize renewable



energy or natural gas, as well as water and waste management facilities. The involvement of the private sector at the local, regional, and international levels will also be a priority in the project selection process.

Through the Infra Initiative, APICORP and IsDB aim to address low private sector participation in funding energy projects by incentivizing public-private partnerships (PPPs) to bridge the estimated \$200 billion investment gap in such projects in the Organization of Islamic Cooperation (OIC) member countries. Additionally, the initiative aims to mobilize other financing channels from commercial banks, other multilateral development banks, development agencies, and the capital markets.

On this occasion, IsDB's President HE Dr. Muhammad Al Jasser said "We recognise that quality infrastructure is key to economic and social development. Hence, addressing the infrastructure needs of our member countries is one of IsDB's foremost priorities. Our cooperation with APICORP on the Infra Initiative is in this spirit. It is intended to amplify our impact by combining our two institutions' resources, skill sets and market knowledge. It also supports our respective commitments to the Sustainable Development Goals – particularly goals 6, 7 and 9."

For his part Dr. Ahmed Ali Attiga, CEO of APICORP, stated "Increasing private sector investments in the energy sector is a key area of focus for us as part of our strategy to fund the energy transition in the Arab region. It is an objective we shared with our partner, IsDB. Indeed, APICORP has significantly raised the size of its financing and investments in pioneering companies and strategic projects which are shaping tomorrow's energy landscape."

The scope of Infra Initiative, which will launch for an initial period of 3 years, includes



**Dr. Al Jasser:**

**We recognise that quality infrastructure is key to economic and social development**



**Dr. Attiga:**

**Increasing private sector investments in the energy sector is a key area of focus for us as part of our strategy to fund the energy transition in the Arab region**

all OIC countries, with priority given to the 10 member countries common to APICORP and IsDB. However, projects in other countries are also eligible provided they are sponsored by a company headquartered in one of the shared member states.

It is worth noting that APICORP's 2021-2025 MENA Energy Investment Outlook projected the share of private investments in regional energy projects to reach 27% by 2025, a threefold increase from the 8.5% in the 2020-2024 outlook.



# Monthly Report on Petroleum Developments in The World Markets



## Monthly Report on Petroleum Developments In The World Markets February 2022

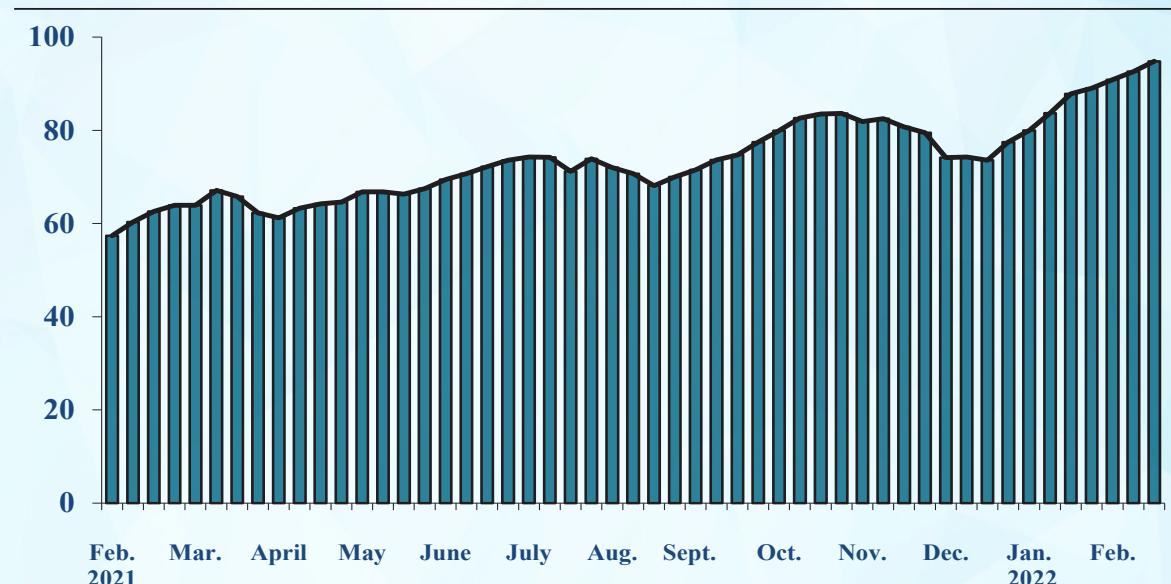
### First: World Oil Markets

#### 1. Oil Prices

OPEC primary estimates indicate that OPEC Reference Basket price increased in February 2022 by 8.6% compared to the previous month, to reach \$92.76/bbl. While annual price of OPEC Basket is estimated to increase in 2022 by 26.2% compared to 2021, to reach \$88.22/bbl.

It's worth mentioning that, OPEC Reference Basket increased in January 2022 by 14.8% or \$11/bbl compared to the previous month, to reach \$85.4/bbl. This is mainly attributed to robust physical crude oil market fundamentals and a rally in futures markets, amid healthier-than-anticipated global oil demand recovery, worries about several supply disruptions, geopolitical tensions in some major producing regions, along with easing COVID-19-related mobility restrictions in several European countries and the less severe impact of the Omicron variant on oil demand.

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



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

#### 2. Supply and Demand

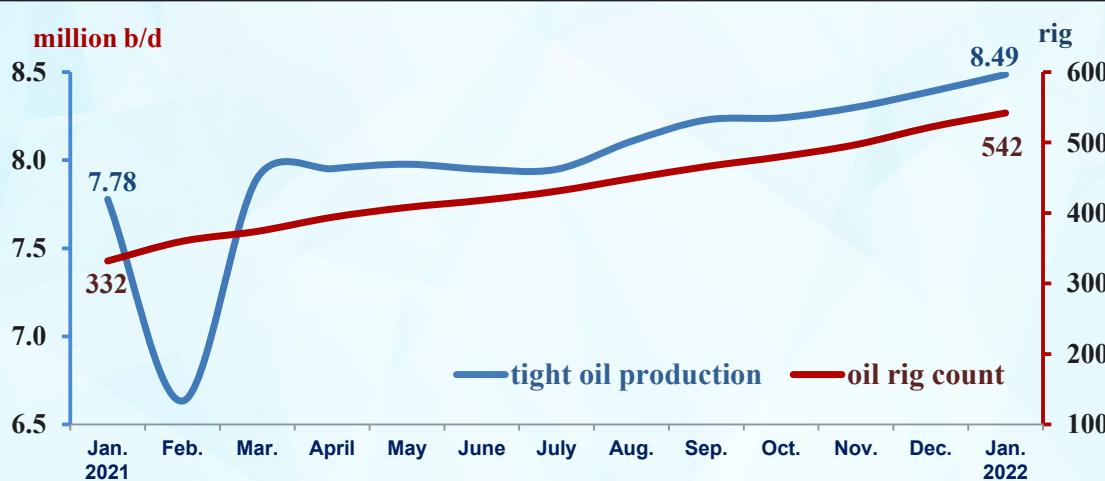
- Primary estimates indicate that world oil demand is increased in Q4 2021 by 2.4% compared with previous quarter, to reach 99.8 million b/d. As demand in OECD countries increased by 1.2% to reach 46.3 million b/d. And demand in Non-OECD countries increased by 3.4% to reach 53.5 million b/d.



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 January 2022, increased by 37 thousand b/d or 0.04% comparing with previous month level to reach 99 million b/d. Non-OPEC supplies decreased by 0.04% to reach 65.8 million b/d, whereas OPEC supplies increased by 0.2% to reach 33.2 million b/d.
- **OPEC+** crude oil total supplies in January 2022, is increased by 292 thousand b/d, or 0.7% comparing with previous month level to reach 39.7 million b/d. Non-OPEC supplies, which are members in OPEC+, increased by 1% to reach 15.9 million b/d. And OPEC-10 supplies, which are members in OPEC+, increased by 0.6% to reach 23.8 mb/d.
- US tight oil production increased in January 2022 by 97 thousand b/d compared to previous month level to reach 8.487 million b/d. Production is expected to continue rising in February and March 2022 to reach 8.707 million b/d. On other development, US oil rig count increased in January 2022 by 20 rigs, to stand at 542 rigs.

### US tight oil production and oil rig count

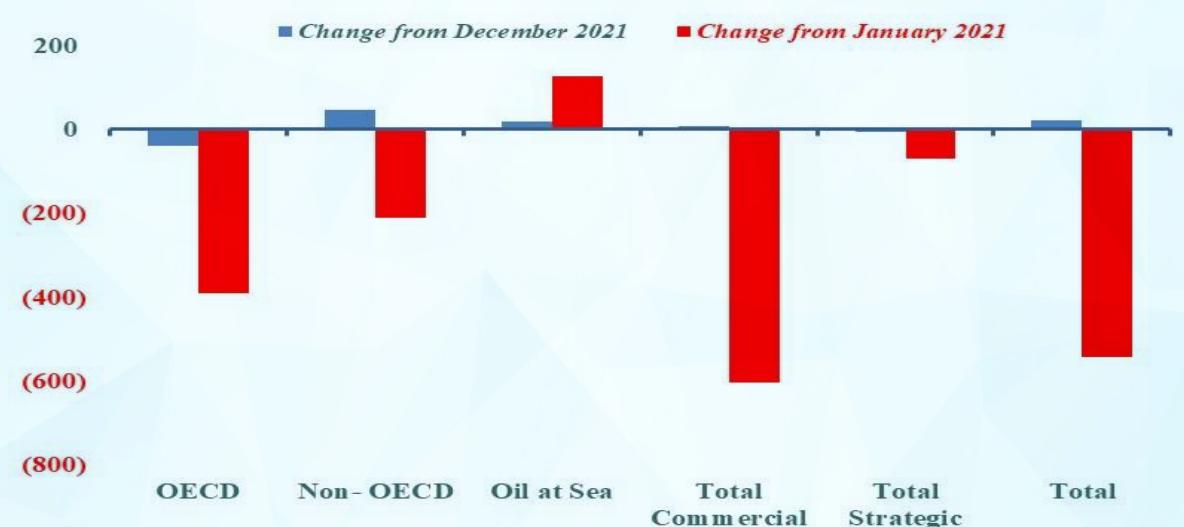


Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions Feb. 2022.

### 3. Oil Inventories

- OECD commercial inventories in January 2022 decreased by 39 million barrels from the previous month level to reach 2641 million barrels, and strategic inventories decreased by 5 million barrels from the previous month level to reach 1779 million barrels.

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



Source: Oil Market intelligence, April 2021 and February 2022.

## 4. Oil Trade

### US Oil Imports and Exports

- US crude oil imports in January 2022, increased by 3.3% from the previous month level to reach about 6.5 million b/d, whereas US crude oil exports decreased by 18.9% to reach about 2.4 million b/d.
- US petroleum products imports in January 2022 decreased by 11.4% from the previous month level to reach about 1.8 million b/d, and US petroleum products exports decreased by 15.7% to reach 4.2 million b/d.

### Second: Natural Gas Market

#### 1. Prices

- The average spot price of natural gas at the Henry Hub increased in January 2022 to reach \$4.38/million BTU.
- The price of Japanese LNG imports in December 2021 increased by \$0.08/m BTU to reach \$14.33/m BTU, the price of Korean LNG imports increased by \$1.78/m BTU to reach \$17.15/m BTU, and the price of Chinese LNG imports increased by \$1.23/m BTU to reach \$18.82/m BTU.

#### 2. Exports

Arab LNG exports to China, Japan and South Korea were about 4.186 million tons in December 2021 (a share of 22.6% of total imports).

## Tables Annex