Organization of Arab Petroleum Exporting Countries

OAPEC

www.oapecorg.org

Vol. 44
No. 11
November
2018

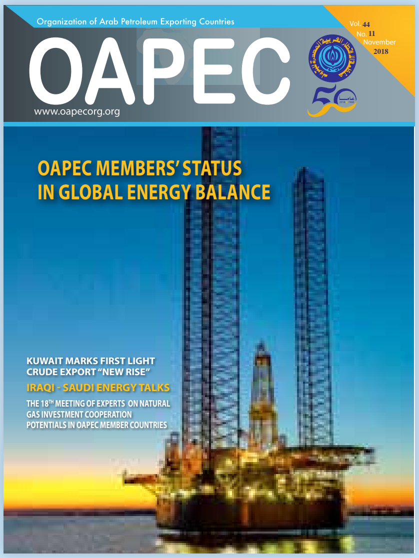
OAPEC MEMBERS' STATUS IN GLOBAL ENERGY BALANCE

KUWAIT MARKS FIRST LIGHT CRUDE EXPORT "NEW RISE"

IRAQI - SAUDI ENERGY TALKS

THE 18TH MEETING OF EXPERTS ON NATURAL GAS INVESTMENT COOPERATION POTENTIALS IN OAPEC MEMBER COUNTRIES

The Cover



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

(ISSN: 1018-595X)

Annual Subscription (11 issues)

Arab Countries

Individuals: KD **10** or equivalent in USD $
Institutions: KD **15** or equivalent in USD $

Other Countries

Individuals : USD $ **40**
Institutions : USD $ **60**

Subscription orders should be sent to :
P.O. Box 20501 Safat - Kuwait 13066 - State of Kuwait
Tel : (+965) **24959724**
Fax : (+965) **24959755**

E-mail : distribute@oapecorg.org
Web-site: www.oapecorg.org

@oapec oapec

Contents

IN THIS ISSUE

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.

6 KUWAIT MARKS FIRST LIGHT CRUDE EXPORT "NEW RISE"

8 IRAQI - SAUDI ENERGY TALKS

12 25TH COORDINATION MEETING OF OAPEC ENVIRONMENT AND CLIMATE CHANGE EXPERTS

- **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.

OAPEC MEMBERS' STATUS IN GLOBAL ENERGY BALANCE

OAPEC member countries have a significant status in the global oil and natural gas markets being in a region where economic, political, and security factors interwind. Current and future importance can be seen from key energy indicators like oil and gas reserves, production, consumption, and exports.

According to OAPEC Secretary General's Annual Report 2017, proven crude oil reserves in OAPEC members were about 706 billion barrels by the end of 2017, representing 48.8% of the world's total of 1449.51 billion barrels that year. Five OAPEC members (namely KSA, Iraq, Kuwait, UAE, and Libya) account for the largest share of the world's proven oil reserves, which highlights the important status of OAPEC countries in the global oil industry.

As for natural gas, OAPEC members' reserves were about 53 trillion cubic metres by the end of 2017, representing 27.2% of the world's total of 196.8 trillion cubic metres. OAPEC members' crude oil and natural gas liquids' output reached about 23 million b/d by the end of 2017, representing about 29% of the world's total of 79.8 million b/d.

On the energy consumption front in OAPEC members, where hydrocarbons (oil and gas) are still considered almost the only energy resource to meet energy demands, consumption average reached about 13 million BOE/D by the end of 2017 (6.1 million BOE/D of petroleum products and about 6.9 million BOE/D of natural gas). Arab countries combined account for about 11% of the world's total natural gas consumption in 2016. The remaining energy resources (coal and hydropower) played a meagre role in OAPEC members' energy balance with no more than 0.8% by the end of 2017.

OAPEC members' crude oil exports value was about $344.4 billion in 2017 compared to $282.9 billion in 2016, due to rising oil prices by 29% in 2017, representing an increase of $61.5 billion or 21.7%.

As shown above, the pivotal role played by OAPEC members in the global energy balance requires them to put more efforts in meeting the growing consumption from their resources, as energy is a key drive for the global economic growth. It is the same case with the crude oil and natural gas production, as most forecasts by energy organisations indicate that most increases in the world's energy needs for next decades will be met by fossil fuel (oil, gas, and coal) which is expected to maintain a stake of 80% of the future global energy mix. It is estimated that oil and gas alone would represent 65% of the total consumed energy resources by 2035.

While observing the petroleum industry's developments in its member countries, OAPEC Secretariat General lauds its members achievements in this sector. It would like to highlight that long-term energy forecasts, in spite of their absolute importance to producers and consumers for planning purposes, remain ambiguous and uncertain in terms of the future. Therefore, these forecasts should be considered with cautious in the process of preparing long-term production and investment plans; they should be based on hypotheses that are closer to the reality with a deeper insight of the future. Changes in the global economic scene, energy transformations, nonstop technological developments, as well as, energy and environmental policies should all be taken into consideration too.

KUWAIT MARKS FIRST LIGHT CRUDE EXPORT "NEW RISE"

Under the auspices and presence of HH the Emir Sheikh Sabah Al Ahmad Al Jaber Al Sabah, Kuwait held a ceremony to promulgate the state's first shipment of light crude oil "New Rise". Minister of Oil and Electricity and Water HE Eng. Bakheet Al Rasheedi said exporting light oil is an outcome of developing Jurassic gas fields northern the country. He added that the Jurassic gas production capacity has reached 500 million cubic feet/day and 175 thousand barrels/day of light crude.

The Minister clarified that the presence of HH the Emir at the launch ceremony symbolizes his belief in the oil sector's importance in supporting the national economy. He stated that the oil sector is fitting into national plans to build a stronger economy and execute mega projects like clean fuel to upgrade the efficiency of KPC refinery and the new Zour refinery, one of the world's largest. Upon their operation, the two projects will increase the refining capacity in Kuwait to 1.44 million b/d.

He pointed out that by the end of the current fiscal year, Dibdiba Solar Project will be awarded by a bid to be set up inside KISR's Shigaya Renewables Complex as a first step to produce 15% of electrical power by renewables.

QATAR APPOINTS HE AL KAABI AS NEW STATE MINISTER FOR ENERGY AFFAIRS

OAPEC Secretary General His Excellency Abbas Ali Al Naqi has sent a cable of congratulations to His Excellency Eng. Saad Sherida Al Kaabi, on the occasion of his appointment as Qatar's Minister of State for Energy Affairs, wishing him all success in his new post and hoping for Qatar's continuous support of the Organization's activities.

HE Al Kaabi is managing member and CEO of Qatar Petroleum (QP). He joined QP in 1986 during his studies at Pennsylvania State University. After graduation in 1991 with a bachelor's degree in petroleum and natural gas engineering, Al Kaabi joined QP where he held various positions in petroleum engineering as well as technical, commercial and supervisory posts, including oil and gas exploration and development, with responsibility for the management of the North Field.

HE GUITOUNI: HUGE ALGERIAN INVESTMENTS IN ENERGY

Algerian Energy Minister HE Mustapha Guitouni disclosed that Algeria has prepared an investment plan on the energy sector (for the years 2018-2020) worth $75 billion; $56 billion of which will be allocated for the fuels sector.

In a press conference following the 3rd Annual Meeting for High Level Political Dialogue on Energy between Algeria and the EU held recently in Algeria, he added that his country has great potentials in all types of energy production and export and is looking forward to boosting cooperation between all countries, on top of which the EU countries. He also stressed Algeria's keenness on contributing to securing oil and gas supplies to the world market through 3 pipelines connecting it to Europe.

IRAQI - SAUDI ENERGY TALKS

Iraq's Deputy Premier for Energy Affairs and Oil Minister HE Thamer Al Ghadhban held a meeting with his Saudi counterpart HE Engineer Khaled Al Falih, who was on an official visit to Iraq on 10 November 2018.

During a joint press conference, HE Al Ghadhban said that Iraq is looking forward to building distinguished ties with its neighbours, including Saudi Arabia in order to boost economic cooperation and integration in a way that serves common interests and goals.

He added that he discussed a number of issues of mutual interest with HE Al Falih, including boosting cooperation on oil, energy, petrochemicals, and minerals, as well as, training and capacity building for the oil sector staff. This is in addition to discussing the possibilities of electrical interconnection and bilateral coordination to face the global oil market challenges, as the two countries share identical views on the importance of finding realistic solutions for these challenges in cooperation with other OPEC and non-OPEC producers. This is in order to achieve the aspired balance in the global oil market, as well as, stability of oil prices.

On his part, HE Al Falih said that his visit to Baghdad aims at enhancing bilateral relations between the two countries in all aspects. Also, he conveyed the greetings, congratulations, and support of His Majesty the Custodian of the Two Holy Mosques and his Crown Prince to the new Iraqi Government.

HE Al Falih said Iraq's victory over terrorism is "a victory for us, the region and the world," adding that it will boost investment opportunities in Iraq. The minister stated "we are looking forward to be Iraq's partner in construction and rebuilding as there is a great desire shown by the Saudi public and private sectors companies to invest and contribute to executing projects in collaboration with our brothers in Iraq." He pointed out that he sought the possibilities of the participation of ARAMCO and SABIC in the oil industries and services sector, as well as, cooperation in petrochemicals and minerals among other things. The minister underscored that it was necessary to accelerate putting the MOU signed between the two countries into effect as soon as possible.

He also stressed that he has discussed with his Iraqi counterpart the importance of joint communication and coordination before the next OPEC meeting, as well as, the global oil market's situation and the challenges it is facing in order to put solutions targeting its stability.

In the same vein, Iraq's Prime Minister HE Adel Abdul Mahdi received on 10 November 2018 HE Al Falih and the accompanying delegation in the presence of HE Al Ghadhban. The meeting tackled the bilateral relations, the developments in the global oil market, and the cooperation opportunities between the two countries in energy, oil, and electricity.

IRAQ APPOINTS HE THAMER AL GHADBAN AS DEPUTY PM FOR ENERGY AFFAIRS

OAPEC Secretary General His Excellency Abbas Ali Al Naqi has sent a cable of congratulations to His Excellency Thamer Al Ghadban on the occasion of his appointment as Iraq's Deputy Prime Minister for Energy Affairs and Oil Minister, wishing him all success in his new post and hoping for Iraq's continuous support of the Organization's activities.

HE Al Ghadban has a Bachelor's Degree in Geology from the University College London and a Master's Degree in Oil Reservoirs Engineering from Royal Holloway, University of London. His career started in the Iraqi oil ministry since 1973.

EGYPTIAN-SAUDI TALKS

Egyptian Minister of Petroleum and Mineral Resources HE Eng. Tarek El Molla held a meeting with his Saudi counterpart HE Eng. Khalid Al Falih, on the sidelines of the 21st Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) 2018, held recently in Abu Dhabi, the UAE.

The two ministers reviewed the latest developments in the world's oil markets. They stressed the importance of continued support to cooperation initiatives and efforts between OPEC and non-OPEC countries to realise market stability and strike a balance between supply and demand in a way that reflects positively on all parties.

HE Al Molla indicated that the meeting discussed means of boosting cooperation between the two countries in the various fields of the oil and gas industry. He stressed the importance of information and technical expertise exchange and transfer in the fields of research, exploration and mining. SUMED project for crude transfer and handling in Sokhna and Sidi Kreir has also been discussed. The project is currently undergoing strategic expansions to increase its petroleum products receiving and storage capacity in line with the plan to transform Egypt into a regional hub for energy trade and handling.

He added that Egypt prioritises mining cooperation with KSA; saying that Egypt is currently developing strategies to attract more investments and expand the exploitation and manufacturing of mineral resources.

BAHRAIN'S NATIONAL OIL & GAS AUTHORITY SIGNS MOU WITH GREEN CLIMATE FUND

HE Sheikh Mohammed bin Khalifa Al Khalifa, Bahrain's Minister of Oil, signed a memorandum of understanding (MOU) with the Green Climate Fund (GCF) on Sunday 21 October 2018. HE Javier Manzanares, Executive Director at GCF, signed the agreement on behalf of the GCF, in order to view the technical, institutional and financial frameworks for projects aimed at mitigating and adapting to climate change. The signing ceremony was attended by a number of officials from both sides.

This came on the sidelines of the Kingdom of Bahrain hosting the 21st meeting of the GCF from 16 to 20 October 2018, with a broad participation of representatives of states and relevant international organizations.

The Bahraini Minister praised the strong cooperation with the GCF, which is a significant aspect of development related to addressing the phenomenon of climate change. He added that the GCF represents an important financing mechanism for developing countries to implement sustainable development projects in the areas of adaptation and mitigation of climate change and fulfilment of their commitments to the Paris climate agreement.

The GCF aims at encouraging member states to shift towards low-emission development pathways, and being capable of adapting to climate change. In addition, the GCF provides support to developing countries to reduce or mitigate greenhouse gas emissions and adapt to the effects of climate change.

ONLINE REGISTRATION OPENS FOR WEC24

On the sidelines of the World Energy Week in Milan, HE Dr Matar Al Neyadi, Undersecretary at the UAE Ministry of Energy and Industry, UAE's Representative at OAPEC Executive Bureau, and Chairman of the UAE Organising Committee for the 24th World Energy Congress (WEC24), launched the WEC24 online registration system. Abu Dhabi, UAE, will host WEC24 in September 2019.

This will be the first time that WEC is held in a Middle Eastern country, as the UAE will be the first Arab, OPEC, and OAPEC member to host the prestigious event that has been running for 95 years.

It is worth mentioning that OAPEC has previously announced its participation as exhibitor in WEC24, during a special ceremony on the sidelines of the 11th Arab Energy Conference held recently in Marrakesh, Morocco.

25TH COORDINATION MEETING OF OAPEC ENVIRONMENT AND CLIMATE CHANGE EXPERTS

In line with the action plan of the Organization of the Arab Petroleum Exporting Countries (OAPEC) for the year 2018, the 25th Coordination Meeting of OAPEC Environment and Climate Change Experts took place in Kuwait, on 29 and 30 October 2018 with the participation of experts from Bahrain, KSA, Qatar, Kuwait, and Iraq, in addition to representatives from the GCC Council and OAPEC Secretariat General.

OAPEC Secretary General HE Abbas Ali Al Naqi opened the meeting welcoming the participants and reiterating that the Organisation will continue its coordinative role to hold these meetings to boost the Arab joint action on various issues related to climate change negotiations.

The speech was followed by presenting papers on the UNFCCC developments and their implications for the oil sector in the Arab countries. Those papers were presented by: Mr Abdul Kareem Ayed, Information and Library Department Director at OAPEC; Mr

Adel Bastaki, GCC Council Secretariat General Representative; and Mr Sherif Al Khayyat from the Kuwaiti delegation.

The participants reiterated the Arab countries' negotiating stance endorsed by the 30th Meeting of the Arab Environment Ministers' Council on 5 October 2018. The participants have also been informed about the seminar, on the oil and gas technology and climate change, to be held by OAPEC- in collaboration with KSA- during the upcoming COP24 in Poland on 10 December 2018.

SEVENTH COORDINATING MEETING FOR OAPEC DATABANK LIAISON OFFICERS

OAPEC Secretariat General held its Seventh Coordinating Meeting for OAPEC Databank Liaison Officers on 16 and 17 September 2018 at the organization's headquarters in Kuwait. The meeting was attended by seven liaison officers from Bahrain, Algeria, Kuwait, and Egypt.

Mr Abdul Fattah Dandi, Director of the Economic Affairs Department at OAPEC, welcomed the participants on behalf of the Secretary General HE Abbas Al Naqi highlighting the importance of the meeting and wishing it will achieve the aspired goals. He also referred to the results that have been achieved through executing the recommendations of previous meetings. Moreover, he gave an overview of the measures taken by the Secretariat General to develop the databank.

The meeting aimed at: following up and reviewing earlier recommendations issued by previous coordinating meetings; evaluating OAPEC member countries data flow mechanism; better communication between the officers; discussing the system's earlier stages technical gaps and statistical shortages; as well as, listening to remarks and future visualizations on developing the system's application to meet the member countries' needs of energy and oil-related data.

The meeting made a number of recommendations including continuing to provide the Secretariat General with oil, natural gas, and other energy resources data and statistics while working on overcoming any obstacles preventing smooth access to these statistics.

The Secretariat General has been represented by Mr Fuad Dawood, Senior Economist, and Mr Mohammed Jihad, Programmer.

THE 18TH MEETING OF EXPERTS ON NATURAL GAS INVESTMENT COOPERATION POTENTIALS IN OAPEC MEMBER COUNTRIES

The 18th Meeting of Experts on Natural Gas Investment Cooperation Potentials in OAPEC Member Countries took place on 7 November 2018 in Kuwait. The meeting was attended by 19 experts from OAPEC member countries as follows: Qatar, KSA, Kuwait, in addition to the Secretariat General's delegation (4).

Dr Samir Al Kareish, Director of Technical Affairs Department at OAPEC, gave a speech on behalf of OAPEC Secretary General HE Abbas Ali Al Naqi stressing the Secretariat General's keenness on following up Arab and international developments in the natural gas industry. This keenness stems from OAPEC's belief in natural gas' growing importance in the energy mix and achieving sustainable development in the Arab countries.

The speech also reviewed some of the important indicators in the industry during 2017, which witnessed growing global demand for natural gas by about 3%, the highest since the global financial crisis in 2008. Gas consumption has been driven by increasing demand from Asian markets, especially China that posted an annual growth of about 15%. Gas demand has also continued to grow in the Middle East by 5.7%, and Europe by 5.5%.

Global natural gas trade (both LNG and via pipelines) registered a growth of 6.2% due to a growth in LNG exports by about 10%, the highest since 2010, due to China that accounts alone for more than half of global increase in 2017. China has surpassed South Korea to become the second largest LNG importer

behind Japan. The world market is witnessing a hike in LNG supplies with the operating of new projects in the USA and Australia. In spite of that, the world market did not witness a glut in supply, as previously estimated, due to increasing demand in various markets. He ended the speech by wishing the participants all success and a pleasant stay in Kuwait.

The Technical Affairs Director then chaired the proceedings of the meeting which included two sessions. The first session covered the Secretariat General's report on the most important oil and gas developments in OAPEC member countries. Saudi representatives Mr Nasser Al Rashed and Mr Saeed Al Udhailah reviewed the most important developments in the Saudi gas sector, including new discoveries, wells upgrading, gas processing operations, as well as, the project on establishment of natural gas grid in residential areas and commercial sectors in Riyadh. The private sector will execute the project. Qatar's representative Mr Ayed Al Mudhahka presented a paper titled "The Latest in Natural Gas Industry in Qatar" which tackled the most important developments in the industry, North Field production rates, LNG production capacity, and most significant achievements. Kuwait's representatives Engineers Maryam Al Ansary and Bassm Al Shimmary presented a briefing on the gas industry in Kuwait. Engineer Wael Hamed, OAPEC's Gas Industries' Expert, concluded the session by presenting a paper on "The Role of LNG in Meeting Global Energy Demand" based on a study prepared by the Organisation in the end of 2017. It tackled LNG value chain, developments in LNG plants costs, LNG plants distribution worldwide, current tends of global LNG markets, and the future prospects of the world's LNG market.

Among the most important outcomes and findings of the meeting were:

- Stressing the importance of natural gas resources in OAPEC members
- The member countries' important role in exploration, developing, and marketing of natural gas, as well as, establishing the required infrastructure.
- The importance of bilateral and multilateral cooperation among member countries to achieve the aspired integration.
- Also, the Secretariat General stressed the importance of being provided by the latest gas industry data by member countries

On their part, the participants lauded the Secretariat General's endeavours in organising such meetings to explore cooperation opportunities in the field among the member countries. They also called upon the Secretariat General to keep providing them with its publications, studies, and specialised periodicals.

6TH ARAB-CHINA ENERGY COOPERATION CONFERENCE KICKS OFF

Upon an invitation by the Arab League, OAPEC took part in the Sixth Session of the Arab-China Energy Cooperation Conference kicked off in Cairo on 5-8 November 2018 under the theme of “One Road One Belt … Promising Investment Opportunities”, with the participation of senior Arab and Chinese officials.

The 6th session was inaugurated by an opening session co-chaired between the Arab and Chinese sides. Dr Mohammed Omran, Senior Undersecretary of Egypt’s Electricity and Renewables Ministry, headed the Arab side, while Mr Liu Baohua, Deputy Administrator of China’s National Energy Administration (NEA), headed the Chinese side.

250 participants representing Arab official delegations, and relevant Arab, regional, and international institutions took part in the event, like the Arab League, OAPEC, and the Arab Atomic Energy Commission.

The conference consisted of 5 sessions

that tackled various issues as follows:

Session 1: electricity and electrical interconnection

Session 2: sustainable energy

Session 3: the use of nuclear energy for peaceful purposes

Session 4: Sino-Arab oil and gas cooperation horizons

Session 5: energy investments

Mr Abdul Fattah Dandi, Director of economic Affairs Department, represented OAPEC by presenting a paper on the "Reality and Future of Arab- Chinese Oil and Gas Cooperation." The paper focused on 3 pivots: the current position of Arab countries in the oil and gas markets and their future prospects; current and future position of the Chinese oil and gas sector; and finally, the potentials of boosting the Arab-Chinese energy cooperation stemming from supplies security for China and demand security for Arab oil and producing and exporting countries.

The final communiqué of the conference stated (among other points):

Economic and commercial cooperation between the two sides is one of the most important pillars of Sino-Arab cooperation in light of the Arab proven crude reserves that form half of the world's reserves, and China's possession of modern technologies in exploration, discoveries, transport, refining, and manufacturing.

The importance of opening new windows for cooperation on oil and gas supplies

The importance of coordination and support from both sides at international fora and other energy organisations to boost the joint interests of both sides without affecting their national interests

At the end of the conference, the Sino-Arab sides agreed to meet in 2020 in China. Place and date to be announced later.

OISA ANNUAL MEETING

Upon a kind invitation by the Secretary General of the Organization of The Islamic Shipowners' Association (OISA) HE Dr Abdullatif Abdullah Bin Sultan, OAPEC Secretary General HE Abbas Al Naqi took part in OISA's annual meeting on 31st October 2018 in Dubai, UAE. A number of Arab organisations, companies, and commissions participated in the event.

HE Al Naqi presented a paper giving a detailed overview of OAPEC, the status of its member countries in the world's oil and gas markets, and their key role in meeting the world's future demand for oil and gas. The paper also gave a summary on OAPEC joint ventures and their role in funding and investment in the oil and gas sector.

GAS & LNG MIDDLE EAST SUMMIT

Muscat hosted the Gas and LNG Middle East Summit on 29-30 October 2018 under the auspices of HE Dr Mohammed Al Rumhy, Omani Minister of Oil and Gas, with Oman LNG as the key sponsor. The summit was attended by many senior level executives and gas experts from the global gas industry.

In his welcoming address, Dr Al Rumhy said that Oman has large natural reserves, clarifying that Oman is in negotiation with foreign partners regarding exploration and production to benefit from these reserves and make required amounts of natural gas available to meet the needs of new plants under construction in Al Duqum area. He also stressed the importance of the summit that comes at a time of rising demand for gas and LNG, and increasing gas-relevant activities worldwide, like liquification and its various uses in industry and construction sectors.

During its participation in the Summit, OAPEC was awarded the shield of International Governmental Excellence 2018, following a ballot among the participants.

The Summit discussed various topics on: natural gas and LNG market trends from a governmental perspective; sustainable growth and future prospects; technology risk management from industry leaders' perspective; maximizing efficiency and improving environmental footprint on all levels; management of operational challenges and solutions at gas plants; LNG infrastructure development in the Middle East and the world; monitoring and improving gas and LNG production; and market trends from the consumers' and end users' point of view.

OAPEC was represented by Dr Samir Al Kareish, Technical Affairs Director, who chaired panel 2 on day 1 under the theme: Oil and Gas Industry's Sustainability and Development. It tackled decarbonization and digitalization of the industry, as well as, ensuring the industry's sustainable growth, and future challenges and key opportunities in the world LNG markets. Dr Al Kareish also took part in the third panel on exploiting natural gas potentials and resources. He talked about the gas discoveries in OAPEC countries and the MENA region, as well as, exploration and development funding, the Middle East gas development projects and the role of Arab countries in securing the regional and global energy demand.

ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC)

NINTH INTERNATIONAL FORUM ON ENERGY FOR SUSTAINABLE DEVELOPMENT

Upon an invitation by the International Energy Forum (IEF), OAPEC took part in the Ninth International Forum on Energy for Sustainable Development and the JODI Energy Data Information Transparency Seminar in Kiev, Ukraine, on 12-15 November 2018. This comes as part of OAPEC's endeavours to become an official JODI partner.

The forum is co-organized by the Government of Ukraine and the five UN Regional Commissions, in partnership with the UN Development Programme (UNDP), UN Institute for Training and Research (UNITAR), UN Environment Programme (UNEP, or UN Environment), the World Bank, International Energy Agency (IEA), International Renewable Energy Agency (IRENA), International Atomic Energy Agency (IAEA), Global Environment Facility (GEF), Organization for Security and Co-operation in Europe (OSCE) and other stakeholders.

The forum focused on reviewing the recommendations of the 8th International Forum on Energy held in June 2017 in Kazakhstan, and the High-level Political Forum on Sustainable Development (HLPF) held in New York, USA, in July 2018.

It consisted of ministerial and public sessions as well as parallel workshops, which focused on four pivots:

1. Transformation in energy resources' uses and decarbonisation (covered by 10 sessions)
2. Building strong systems and infrastructure to qualify for renewables' use (7 sessions)
3. Harmonising different viewpoints between governments and investors in energy. (10 sessions)
4. Hot issues under discussion like the role of nuclear energy in achieving sustainable development goals and the UN's frame in classifying and managing sustainable resources. (8 sessions)

The forum seeks to provide policymakers and experts from various parts of the energy sector with an opportunity to reflect on the implications of the fast-paced energy transition, review the activities to date and make further progress towards meeting the SDGs.

It also included the annual sessions of the UN Economic Commission for Europe (UNECE) Group of Experts on Energy Efficiency and Group of Experts on Renewable Energy; in addition to JODI seminar and exhibition.

OAPEC was represented by Engineer Wael Hamed, Gas Industries' Expert at the Technical Department, and Mr Fuad Abdul Rahman, Senior Economist at the Economic Affairs Department. Eng. Wael presented a paper under the title "The Role of Natural Gas in Achieving Sustainable Development Goals: Case Study on Arab Countries". He talked about natural gas developments and its role in the energy system and sustainable development goals in the Arab countries. Mr Abdul Rahman on his part gave a presentation explaining the importance of energy and oil data collection, OAPEC's databank, and OAPEC's keenness on joining JODI. He also participated in JODI's exhibition by a presentation on OAPEC's website and its publications.

WORKSHOP ON "EXTRACTING FUEL AND BIO-PRODUCTS FROM ECONOMICALLY FEASIBLE SEA WEEDS"

Upon an invitation by Kuwait Institute for Scientific Research (KISR), OAPEC took part in a regional workshop on "Extracting Fuel and Bio-products from Economically Feasible Sea Weeds" held at Kuwait Petroleum Corporation on 12 and 13 November 2018. The event was held in light of Kuwait's strategy and 2035 vision on promoting energy mix to maintain and use Kuwait's natural resources in a sustainable way. A large number of international and local experts took part in the event.

The papers presented at the workshop tackled opportunities of producing bio-fuel from sea weeds and other products of added economic value like bioplastic, biopolymers, animal feedstock, food supplements, and medicines. Kuwait's marine environment has different types of sea weeds, some of which are suitable for producing biofuel and other economically-feasible products.

Dr Yasser Baghdadi, Oil Industries' Expert at the Technical Affairs Department represented OAPEC at the workshop.

Petroleum Developments in the World Market and Member Countries*

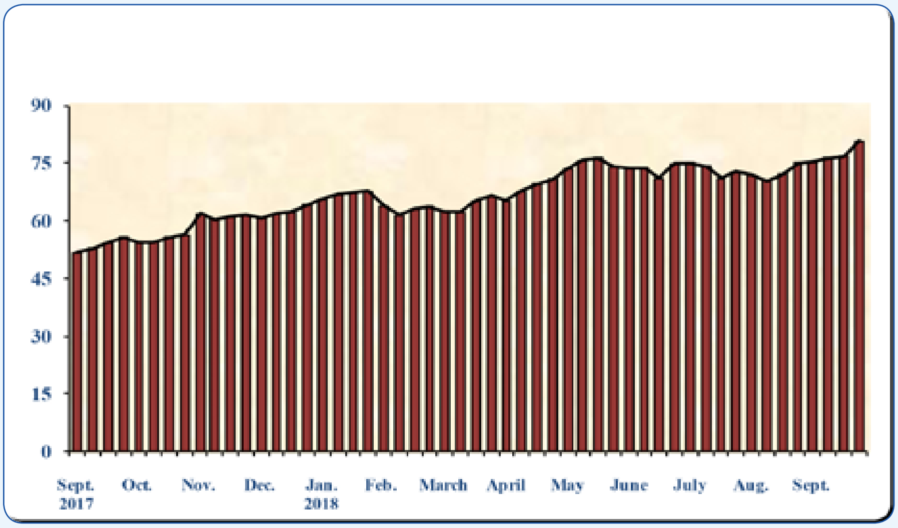
1. Oil Market

1. Prices

1-1Crude Oil Prices

Weekly average price of OPEC basket increased during the first week of September 2018, to reach $75.19/bbl, and continue to raise thereafter to reach its highst level of $80.64/bbl during the fourth week, as shown in **figure 1**:

Figure - 1 Weekly Average Spot Price of the OPEC Basket of Crudes 2017 - 2018 ($/bbl)



On monthly basis, OPEC Reference Basket in September 2018, averaged $77.2/bbl, representing an increase of $4.9/bbl or 6.8% comparing with previous month, and an increase of $23.7/bbl or 44.4% from the same month of previous year. Growing concerns over global oil supply shortage, healthy global oil demand and a higher geopolitical risk, were major stimulus for the increase in oil prices during the month of September 2018 to reach its highest level since October 2014.

Key Indicators

- *In September 2018, **OPEC Reference Basket increased** by 6.8% or $4.9/bbl from the previous month level to stand at $77.2/bbl.*
- ***World oil demand** in September 2018, **decreased** by 0.4% or 0.4 million b/d from the previous month level to reach100.2 million b/d.*
- ***World oil supplies** in September 2018, **increased** by 1% or 1 million b/d from the previous month level to reach101.4 million b/d.*
- ***US tight oil production** in September 2018, **increased** by 1.4% to reach about 7.5 million b/d, whereas **US oil rig count decreased** by 2 rig from the previous month level to stand at 939 rig.*
- ***US crude oil imports** in September 2018, **decreased** by 1.1% from the previous month level to reach 7.8 million b/d, whereas **US product imports increased** by 3.5% to reach about 2.5 million b/d.*
- ***OECD commercial inventories** in August 2018 **increased** by 16 million barrels from the previous month level to reach 2854 million barrels*, whereas **Strategic inventories** in OECD-34, South Africa and China ***decreased** by 1 million barrels from the previous month level to reach 1849 million barrels.*
- ***The average spot price of natural gas** at the Henry Hub **increased** in September 2018 to reach $3/million BTU.*
- ***The Price of Japanese LNG imports** in August 2018 **increased** by $0.4/ m BTU to reach $10.2/m BTU, and the **Price of Korean LNG increased** by $0.2/m BTU to reach 10.2/m BTU, whereas **the Price of Chinese LNG imports remained stable** at the same previous month level of $8.5/m BTU.*
- ***Arab LNG exports to Japan, Korea and China** were about 3.644 million tons in August 2018 (a share of 24% of total imports).*

* Prepared by the Economics Department.

Table (1) and figure (2) show the change in the price of the OPEC basket versus last month and the corresponding month of last year:

Table 1 Change in Price of the OPEC Basket of Crudes, 2017-2018 ($/bbl)

	Sep. 2017	Oct.	Nov.	Dec.	Jan. 2018	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.
OPEC Basket Price	53.4	55.5	60.7	62.1	66.9	63.5	63.8	68.4	74.1	73.2	73.3	72.3	77.2
Chamge From previous Month	3.8	2.1	5.2	1.3	4.8	-3.4	0.3	4.7	5.7	-0.9	0.1	-1.0	4.9
Change from same month of previous Year	10.5	7.6	17.5	10.4	14.5	10.1	13.4	17.1	24.9	28.0	26.4	22.7	23.7

* Effective June 16,2005 OPEC replaced its seven-crude basket with one comprised of eleven crudes, one from each member country (weighted according to production and exports to major markets). Effective 1 January and mid of October 2007, Angola's Girassol and Ecuadorian Oriente crudes have been incorporated to become the 12th and 13th crudes comprising the new OPEC Basket. As of Jan.,2009, the basket excludes the Indonesian crude. As of Jan. 2016, the basket price includes the Indonesian crude. As of July 2016, the basket price includes the Gabonese crude. As of Jan. 2017, the basket excludes the Indonesian crude. As of June 2017, the basket price includes the Equatorial Guinean crude "Zafiro". As of June 2018, the basket includes the Congolese crude "Djeno".

Figure - 2 Change in the Price of the OPEC Basket of Crudes, 2017-2018 ($/bbl)

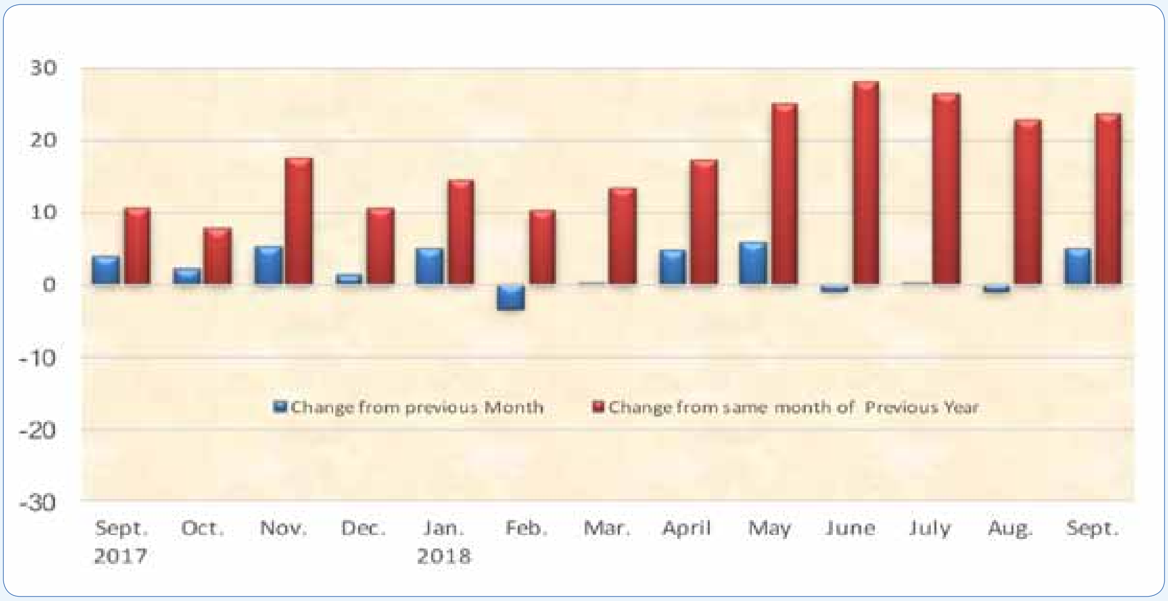


Table (3) in the annex show spot prices for OPEC basket and other crudes for the period 2016-2018.

1-2 Spot Prices of Petroleum Products

- **US Gulf**

  In September 2018, the spot prices of premium gasoline decreased by 0.3% or $0.3/bbl comparing with their previous month levels to reach $91.3/bbl, whereas spot prices of fuel oil increased by 4.2% or $2.6/bbl to reach $65.2/bbl, and spot prices of gas oil increased by 5.3% or $4.5/bbl to reach $89.6/bbl.

- Rotterdam

The spot prices of premium gasoline in September 2018, remained stable at the same previous month level of $95/bbl, whereas spot prices of gas oil increased by 5% or $4.4/bbl to reach $92.9/bbl, and spot prices of fuel oil increased by 3.2% or $2.1/bbl to reach $67.8/bbl.

- Mediterranean

The spot prices of premium gasoline decreased in September 2018, by 0.5% or $0.4/bbl comparing with previous month levels to reach $87.4/bbl, whereas spot prices of gas oil increased by 4.8% or $4.3/bbl to reach $93/bbl, and spot prices of fuel oil increased by 3.5% or $2.3/bbl to reach $68.7/bbl.

- Singapore

The spot prices of premium gasoline increased in September 2018, by 5.5% or $4.7/bbl comparing with previous month levels to reach $89.5/bbl, spot prices of gas oil increased by 6.1% or $5.4/bbl to reach $93.4/bbl, and spot prices of fuel oil increased by 2.3% or $1.6/bbl to reach $70.7/bbl.

Figure (3) shows the price of Premium gasoline in all four markets from September 2017 to September 2018.

Figure - 3 **Monthly Average Spot Prices of Premium Gasoline, 2017-2018** ($/bbl)

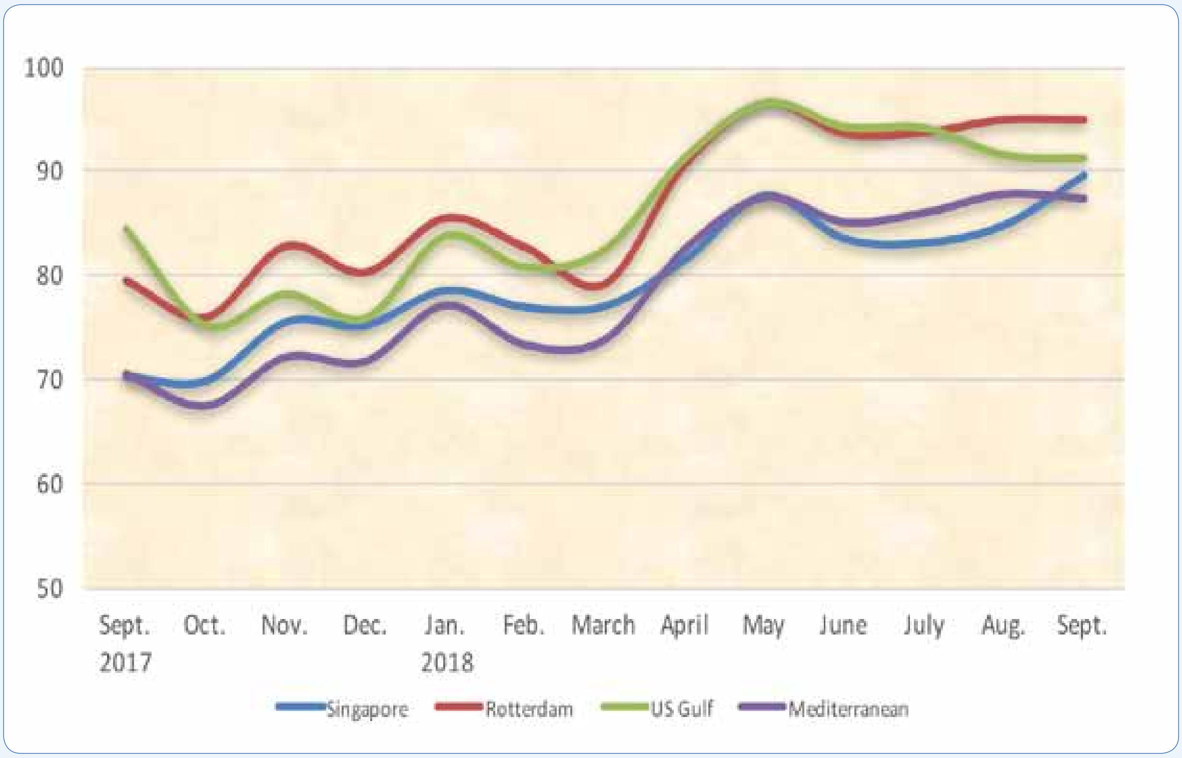


Table (4) in the annex shows the average monthly spot prices of petroleum products, 2016-2018.

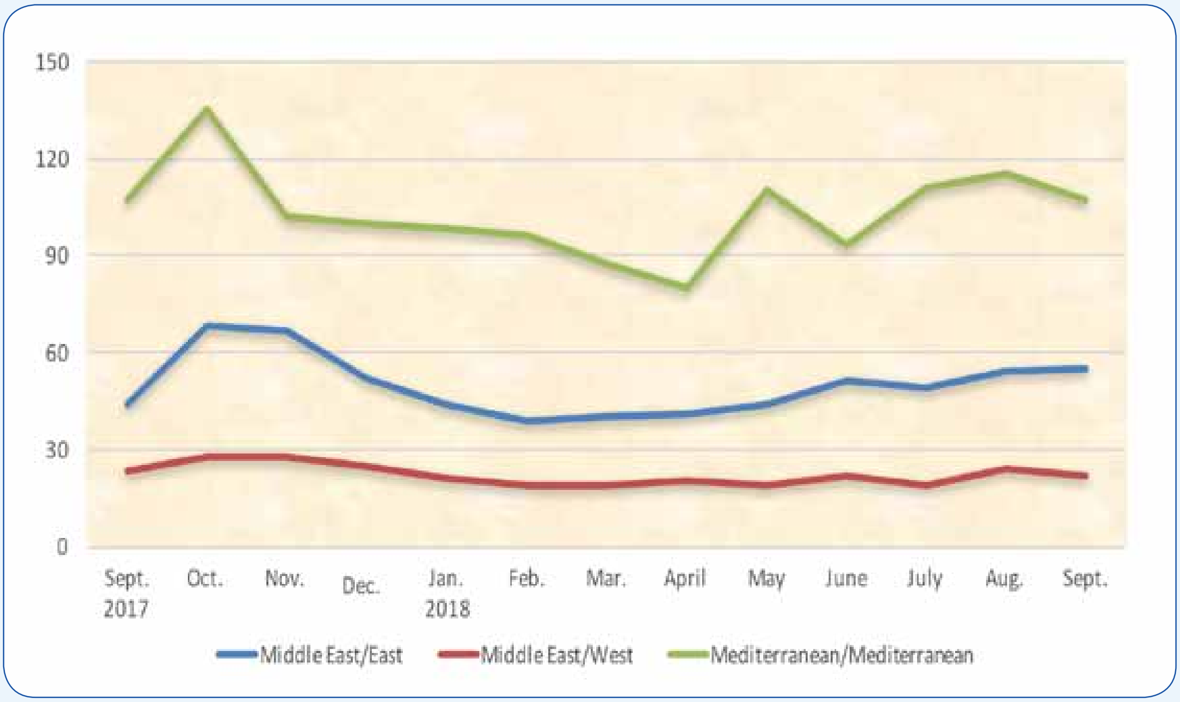
1-3 Spot Tanker Crude Freight Rates

In September 2018, Freight rates for crude oil for tanker size (230-280 thousand deadweight tons (dwt)), leaving Middle Eastern ports to the East, increased by 1 point or 1.9% comparing with previous month to reach 55 points on the World Scale (WS*).

Whereas freight rates for crude oil for tanker size (270-285 thousand deadweight tons (dwt)), leaving Middle Eastern ports to the West, decreased by 2 points or 8.3% comparing with previous month to reach 22 points on the World Scale (WS), freight rates for inter - Mediterranean for small to medium sized tankers (80-85 thousand deadweight tons (dwt)), decreased by 8 points or 7% comparing with previous month to reach 107 points on the World Scale (WS).

Figure (4) shows the freight rates for crude oil to all three destinations from September 2017 to September 2018.

Figure - 4 **Monthly Spot Crude Oil Tanker Freight Rates, 2017 -2018** (World Scale)*



* World Scale is a method for calculating freight prices. One point for the WS means 1% of the standard price of freight in the direction in the WS book, which is published annually by the World Scale Association. The book contains a list of prices in the form of US dollar per ton, called "World Scale 100," for all the major routes in the world.

1-4 Spot Tanker Product Freight Rates

In September 2018, monthly spot Tanker freight rates for petroleum products [for tanker size 30-35 thousand deadweight tons (dwt)], leaving Middle Eastern ports to the East, increased by 9 point, or 8.9% comparing with previous month to reach 110 points on WS.

Whereas Freight rates for Petroleum Products across Mediterranean [for tanker size 30-35 thousand deadweight tons (dwt)], remained stable at the same previous month level of 120 points on WS, freight rates for petroleum products [for tanker size 30-35 thousand deadweight tons (dwt)], leaving Mediterranean to North-West Europe remained stable at the same previous month level of 130 points on WS.

Figure (5) shows the freight rates for oil products to all three destinations from September 2017 to September 2018.

Figure - 5 **Monthly Spot Product Tanker Freight Rates, 2017 -2018** (World Scale)

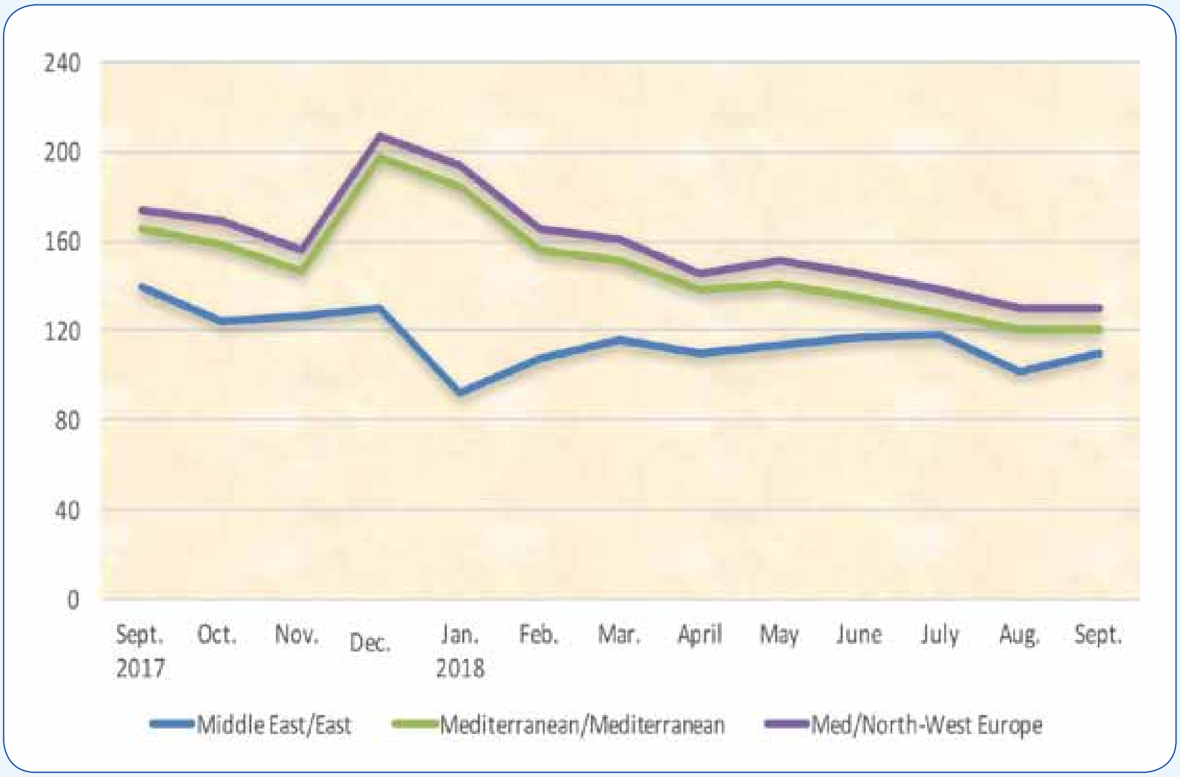


Table (5) and **(6)** in the annex show crude and products Tankers Freight Rates, 2016-2018.

2.Supply and Demand

Preliminary estimates in September 2018 show a decrease in world oil demand by 0.4% or 0.4 million b/d, comparing with the previous month level to reach 100.2 million b/d, representing an increase of 1.2 million b/d from their last year level.

Demand in OECD countries remained stable at the same previous month level of 47.9 million b/d, representing an increase of 0.5 million b/d from their last year level. Whereas demand in Non-OECD countries decreased by 0.8% or 0.4 million b/d comparing with their previous month level to reach 52.3 million b/d, representing an increase of 0.7 million b/d from their last year level.

On the supply side, preliminary estimates show that world oil supplies for September 2018 increased by 1% or 1 million b/d, comparing with the previous month to reach 101.4 million b/d, representing an increase of 3.6 million b/d from their last year level.

In September 2018, OPEC crude oil and NGLs/condensates total supplies remained stable at the same previous month level of 39.2 million b/d, representing a decrease of 0.3 million b/d from their last year level. Whereas preliminary estimates show that Non-OPEC supplies increased by 1.5% or 1 million b/d, comparing with the previous month to reach 62.2 million b/d, representing an increase of 3.8 million b/d from their last year level.

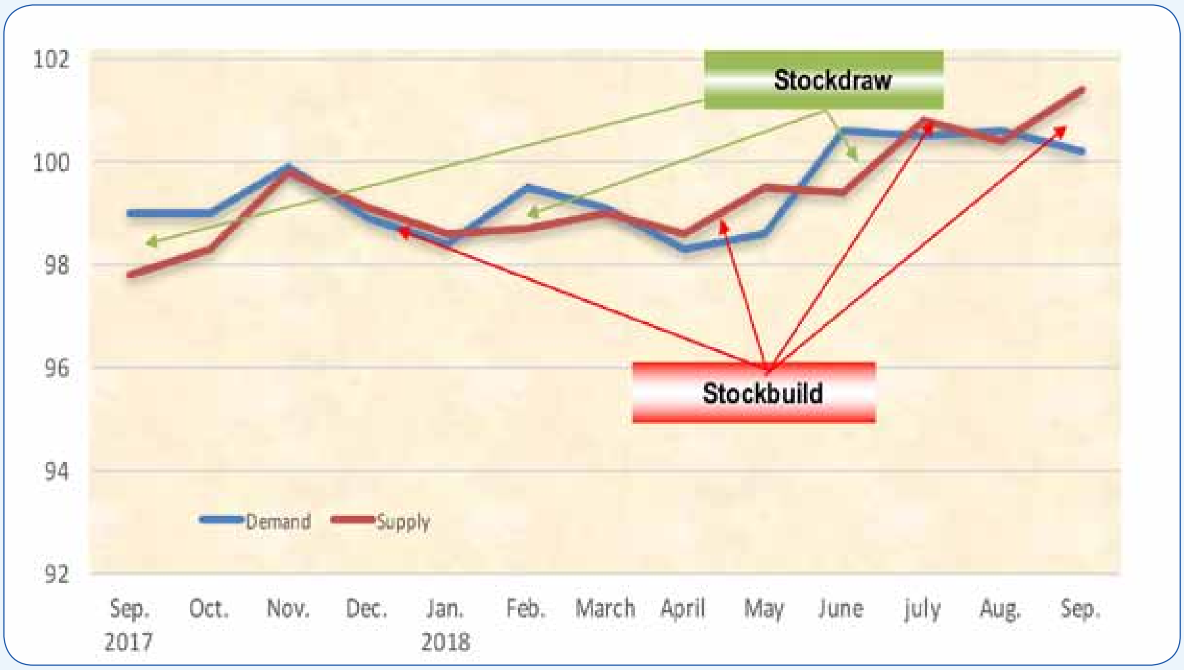
Preliminary estimates of the supply and demand for September 2018 reveal a surplus of 1.2 million b/d, compared to a shortage of 0.2 million b/d in August 2018 and a shortage of 1.2 million b/d in September 2017, as shown in **table (2)** and **figure (6)**:

Table 2 **World Oil Supply and Demand** (Million b/d)

	September 2018	August 2018	Change from August 2018	September 2017	Change from September 2017
OECD Demand	47.9	47.9	0.0	47.4	0.5
*Rest of the World **	52.3	52.7	-0.4	51.6	0.7
World Demand	**100.2**	**100.6**	-0.4	**99.0**	**1.2**
OPEC Supply :	39.2	39.2	0.0	39.5	-0.3
Crude Oil	32.6	32.7	-0.1	32.9	-0.3
NGLs & Cond.	6.6	6.5	0.1	6.6	0.0
Non-OPEC Supply	59.8	58.8	1.0	56.1	3.8
Processing Gain	2.3	2.3	0.0	2.3	0.0
World Supply	**101.4**	**100.4**	**1.0**	**97.8**	**3.6**
Balance	**1.2**	**(0.2)**		**(1.2)**	

Source: Energy Intelligence Briefing Oct. 23, 2018.
*** include 0.2 million b/d of oil needed to fill up the supply system for crude and products, and strategic reserves.**

Figure - 6 World Oil Supply and Demand (Million b/d)



Tables (7) and **(8)** in the annex show world oil demand and supply for the period 2016-2018.

US tight oil production

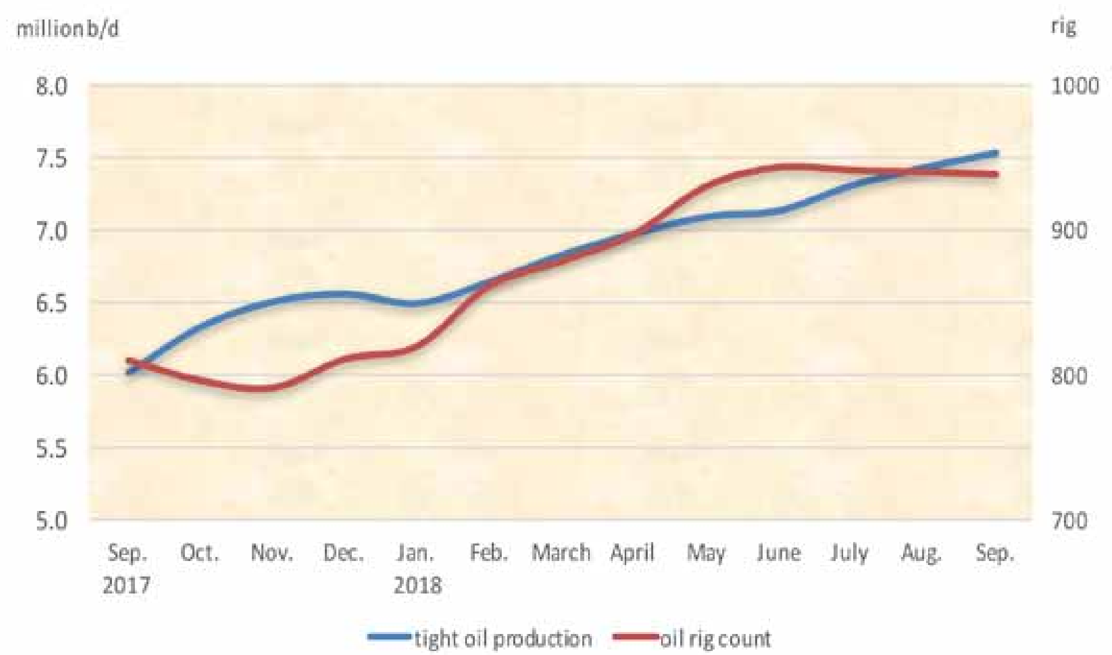
In September 2018, US tight oil production increased by 102 thousand b/d or 1.4% comparing with the previous month level to reach 7.5 million b/d, representing an increase of 1.5 million b/d from their last year level. The US oil rig count decreased by 2 rig comparing with the previous month level to reach 939 rig, a level that is 129 rig higher than last year, as shown in **table (3)** and **figure (7)**:

Table 3 US tight oil production* (Million b/d)

	September 2018	August 2018	Change from August 2018	September 2017	Change from September 2017
tight oil production	7.533	7.431	0.102	6.029	1.504
Oil rig count (rig)	939	941	-2	810	129

Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions, October 2018.
* focusing on the six most prolific areas, which are located in the Lower 48 states. These six regions accounted for 92% of domestic oil production growth during 2011-2014, Bakken, Eagle Ford, Haynesville, Niobrara, Permian, Appalachia (Utica and Marcellus), in addition to Anadarko region which become the target of many producers in the recent years, as of July 2017, there are 129 operating rigs in the Anadarko region.

Figure - 7 US tight oil production and oil rig count



3.Oil Trade

USA

In September 2018, US crude oil imports decreased by 87 thousand b/d or 1.1% comparing with the previous month level to reach 7.8 million b/d. Whereas US oil products imports increased by 86 thousand b/d or 3.5% to reach about 2.5 million b/d.

On the export side, US crude oil exports increased by 631 thousand b/d or 41.8% comparing with the previous month level to reach 2.1 million b/d, and US products exports increased by 349 thousand b/d or 7.1% to reach 5.2 million b/d. As a result, US net oil imports in September 2018 were 982 thousand b/d or nearly 24.8% lower than the previous month, averaging 3 million b/d.

Canada remained the main supplier of crude oil to the US with 46% of total US crude oil imports during the month, followed by Saudi Arabia with 13%, then Mexico with 11%. OPEC Member Countries supplied 32% of total US crude oil imports.

Japan

In September 2018, Japan's crude oil imports decreased by 474 thousand b/d or 14% comparing with the previous month level to reach 2.9 million b/d. Whereas Japan oil products imports increased by 26 thousand b/d or 4.5% comparing with the previous month to reach 609 thousand b/d.

On the export side, Japan's oil products exports increased in September 2018, by 39 thousand b/d or 6.6% comparing with the previous month, averaging 627 thousand b/d, the highest level since December 2017. As a result, Japan's net oil imports in September 2018 decreased by 487 thousand b/d or 14.4% to reach 2.9 million b/d.

Saudi Arabia was the big supplier of crude oil to Japan with a share of 35% of total Japan crude oil imports, followed by UAE with 24% and Qatar with 8% of total Japan crude oil imports.

Table (4) shows changes in crude and oil products net imports/(exports) in September 2018 versus the previous month:

Table 4 USA, Japan and China Crude and Product Net Imports / Exports (Million bbl/d)

	Crude Oil			oil Products		
	September 2018	August 2018	Change from August 2018	September 2018	August 2018	Change from August 2018
USA	5.706	6.424	-0.718	-2.730	-2.466	-0.264
Japan	2.918	3.392	-0.474	-0.018	-0.005	-0.013

Source: OPEC Monthly Oil Market Report, various issues 2018.

4. Oil Inventories

In August 2018, OECD commercial oil inventories increased by 16 million barrels to reach 2854 million barrels – a level that is 156 million barrels lower than a year ago. It is worth mentioning that during the month, commercial crude inventories in OECD decreased by 21 million barrels to reach 1056 million barrels, whereas commercial oil products inventories increased by 36 million barrels to reach 1798 million barrels.

Commercial oil inventories in Americas increased by 19 million barrels to reach 1499 million barrels, of which 555 million barrels of crude and 944 million barrels of oil products. Commercial oil inventories in Pacific increased by 8 million barrels to reach 402 million barrels, of which 161 million barrels of crude and 241 million barrels of oil products. Whereas Commercial oil Inventories in Europe decreased by 12 million barrels to reach 953 million barrels, of which 340 million barrels of crude and 613 million barrels of oil products.

In the rest of the world, commercial oil inventories increased by 31 million barrels to reach 2769 million barrels, and the Inventories at sea increased by 3 million barrels to reach 1173 million barrels.

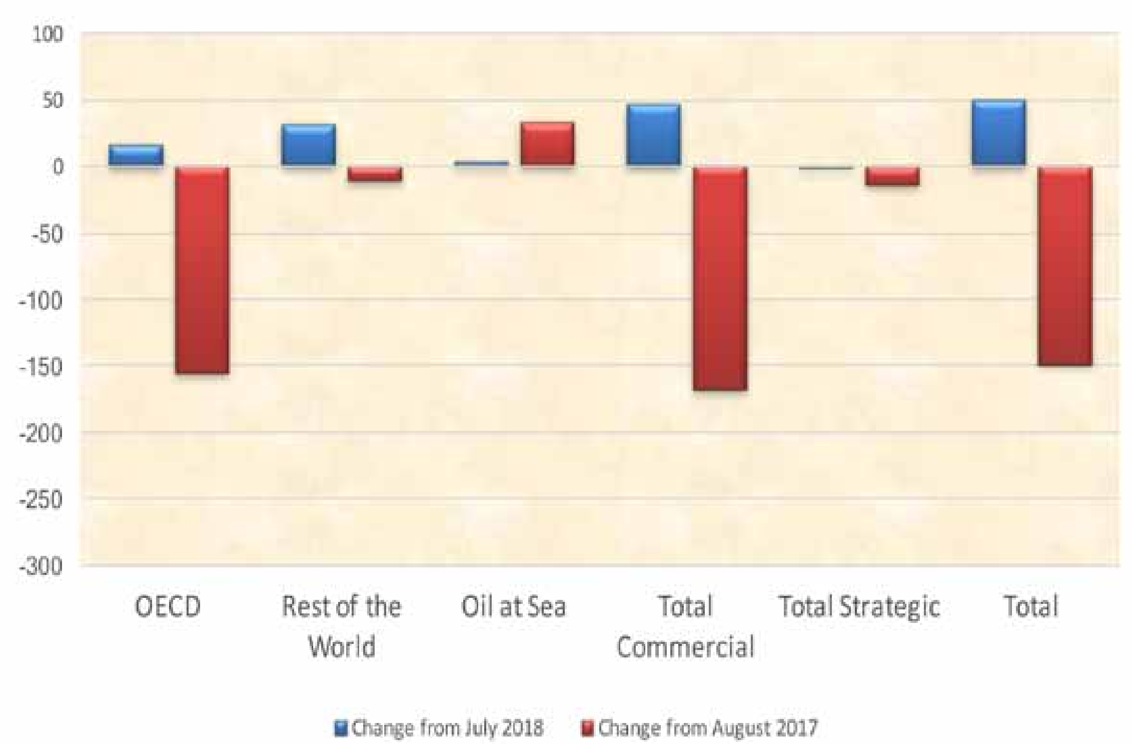
As a result, Total Commercial oil inventories in August 2018 increased by 46 million barrels to reach 5622 million barrels – a level that is 168 million barrels lower than a year ago.

Strategic inventories in OECD-34, South Africa and China decreased by 1 million barrels to reach 1849 million barrels – a level that is 14 million barrels lower than a year ago

Total world inventories, at the end of August 2018 were at 8645 million barrels, representing an increase of 49 million barrels comparing with the previous month, and a decrease of 149 million barrels comparing with the same month a year ago.

Table (9) in the annex and **figure (8)** show the changes in global inventories prevailing at the end of August 2018.

Figure - 8 **Changes in Global Inventories at the End of August 2018** (Million bbl)



II. The Natural Gas Market

1- Spot and Future Prices of Natural Gas in US market

The monthly average of spot natural gas price at the Henry Hub in September 2018 increased by $0.04/ million BTU comparing with the previous month, to reach $3/ million BTU.

The comparison, shown in **table (5),** between natural gas prices and the WTI crude reveal differential of $9.1/ million BTU in favor of WTI crude.

Table 5 Henry Hub Natural Gas and WTI Crude Average Spot Prices, 2017-2018 ($/ Million BTU[1])

	Sep. 2017	Oct.	Nov.	Dec.	Jan. 2018	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.
Natural Gas [(2)]	3.0	2.9	3.0	2.8	3.9	2.7	2.7	2.8	2.8	3.0	2.8	2.9	3.0
WTI Crude [(3)]	8.3	8.9	9.8	10.0	11.0	10.7	10.8	11.4	12.1	11.7	12.2	11.7	12.1

1. British Thermal Unit.
2. Henry Hub spot price.
3. WTI – West Texas Intermediate Crude oil price, in dollars per barrel, is converted to dollar per million BTU using a conversion factor of 5.80 million BTU/bbl.

Source: http://www.eia.gov/dnav/ng/hist/rngwhhdM.htm

2- LNG Markets in North East Asia

The following paragraphs review the developments in LNG Markets in North East Asia, concerning prices and Japanese, Chinese and South Korean imports of LNG and their sources, and Spot LNG Exporters Netbacks.

2.1. LNG Prices

In August 2018, the price of Japanese LNG imports increased by $0.4/million BTU comparing with the previous month to reach $10.2 million BTU, and the price of Korean LNG imports increased by $0.2/million BTU comparing with the previous month to reach $10.2/ million BTU, whereas the price of Chinese LNG imports remained stable at the same previous month level of $8.5/ million BTU.

2.2. LNG Imports

Total Japanese, Korean and Chinese LNG imports from various sources, increased by 10.9% or 1.5 million tons from the previous month level to reach 15.205 million tons.

Table (6) shows the prices and quantities of LNG imported by Japan, South Korea, and China for the period 2016-2018.

Table6 LNG Prices and Imports: Korea, Japan, and China 2016-2018

	Imports (thousand tons)				Average Import Price ($/million BTU)		
	Japan	Korea	China	Total	Japan	Korea	China
2016	**82767**	**33257**	**26017**	**142041**	**6.9**	**6.9**	**6.5**
January 2016	7245	3338	2464	13047	7.9	8.0	7.3
February	7370	2998	1801	12169	8.0	7.8	6.9
March	7959	3282	1702	12943	7.2	7.3	6.6
April	6382	2177	1861	10420	6.4	6.6	6.6
May	5455	2218	1425	9098	5.9	6.0	6.3
June	6193	2484	2146	10823	6.0	5.7	6.0
July	6460	1918	1604	9982	6.3	5.9	5.4
August	7656	1971	2257	11884	6.7	6.3	6.0
September	6671	2236	2527	11434	7.1	6.8	6.1
October	6282	3187	1838	11307	7.2	7.3	6.7
November	7545	3422	2659	13626	7.1	7.5	6.8
December	7549	4026	3733	15308	7.1	7.3	7.1
2017	**6969**	**3138**	**3191**	**13298**	**8.1**	**8.0**	**7.3**
January 2017	8302	4294	3436	16032	7.5	7.9	7.0
February	7790	3600	2372	13762	7.9	8.0	7.0
March	8143	3527	1991	13661	7.7	7.8	6.9
April	6573	2337	2171	11081	8.2	7.8	7.0
May	6239	2488	2911	11638	8.5	8.3	7.3
June	6185	3460	3038	12683	8.3	7.8	7.1
July	6817	2716	3121	12654	8.3	7.9	7.4
August	7259	2603	3140	13002	8.3	8.2	7.4
September	5821	2368	3454	11643	8.1	8.1	7.2
October	6137	2760	3567	12464	7.8	8.1	7.4
November	6411	3328	4056	13795	7.9	7.7	7.7
December	7953	4176	5029	17158	8.1	8.3	8.1
January 2018	8263	4144	5184	17591	8,7	8,7	8,4
February	8294	4588	3993	16875	9.2	9.9	8.6
March	7934	4304	3254	15492	9.5	9.4	8.7
April	5608	3217	3254	12079	9.4	9.3	8.7
May	6407	2784	4150	13341	9.6	9.8	8.5
June	5547	3758	4000	13305	9.8	9.8	8.5
July	6813	2746	4150	13709	9.8	10.0	8.5
August	7575	2920	4710	15205	10.2	10.2	8.5

Source: World Gas Intelligence various issues.

2.3. Sources of LNG imports

Australia was the big supplier of LNG to Japan, Korea and China with 5.335 million tons or 35.1% of total Japan, Korea and China LNG imports in August 2018, followed by Qatar with 17.4% and Indonesia with 8.7%.

The Arab countries LNG exports to Japan, Korea and China totaled 3.644 million tons - a share 24% of total Japanese, Korean and Chinese LNG Imports during the same month.

2.4. LNG Exporter Netbacks

With respect to the Netbacks at North East Asia markets, Russia ranked first with $10.10/million BTU at the end of August 2018, followed by Indonesia with $9.94/million BTU then Malaysia with $9.88/million BTU, and Australia with $9.84/million BTU. LNG Qatar's netback reached $9.55/million BTU, and LNG Algeria's netback reached $9.06/million BTU.

Table (7) shows LNG exporter main countries to Japan, South Korea, and China and their netbacks at the end of August 2018.

Table7 LNG Exporter Main Countries to Japan, Korea and China, And Their Netbacks at The End of August 2018

	Imports (thousand tons)				Spot LNG Netbacks at North East Asia Markets ($/million BTU)
	Japan	Korea	China	Total	
Total Imports, of which:	**7575**	**2920**	**4710**	**15205**	
Australia	3081	514	1740	**5335**	**9.84**
Qatar	775	939	936	**2650**	**9.55**
Malaysia	537	382	405	**1324**	**9.94**
Indonesia	712	182	393	**1287**	**9.88**
Russia	525	–	64	**589**	**10.10**

* Export Revenues minus transportation costs, and royalty fees.
Source: World Gas Intelligence various issues.

Tables Annex