

China advocates shared future with Five Principles of Peaceful Coexistence



This year marks the 70th anniversary of the Five Principles of Peaceful Coexistence. The commemorative conference of the 70th anniversary of the Five Principles of Peaceful Coexistence was held in Beijing on June 28. Xi Jinping, President of the People's Republic of China, attended the commemorative conference and delivered an important speech. He expounded on the essence of the Five Principles of Peaceful Coexistence and their relevance for our times, pointed the direction for building a community with a shared future for mankind amid

major global transformation, and voiced a strong message of the Global South to work with people around the world for a better future.

70 years ago, in face of the scourge of hot wars and the confrontation of the Cold War, the Chinese leadership specified the Five Principles in their entirety for the first time, namely, mutual respect for sovereignty and territorial integrity, mutual non-aggression, mutual non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. The Five Principles are included in the China-India and China-Myanmar joint statements, which jointly called for making them basic norms for state-to-state relations.

After 70 years of practice, the Five Principles of Peaceful Coexistence have set a historic benchmark for international relations and international rule of law, served as the prime guidance for the establishment and development of relations between countries with different social systems, remained a powerful rallying force behind the efforts of developing countries to pursue cooperation and self-strength through unity, and contributed historic wisdom to the reform and improvement of the international order.

Over the past 70 years, the Five Principles of Peaceful Coexistence have extended its reach from Asia to the world, transcending ideological differences, social system variations and uneven levels of development. They have become open, inclusive, and universally applicable basic norms for international relations and fundamental principles of international law, making indelible historic contributions to the cause of human progress.

Seventy years on, we are now in a volatile and unstable era where changes and turbulence are intertwined. At this historic moment when mankind has to choose between peace and war, prosperity and recession, unity and confrontation, the spirit of the Five Principles of Peaceful Coexistence has become more appealing rather than obsolete. Bearing the intertwined destinies of countries and the shared and fundamental

interests of all peoples in mind, President Xi Jinping put forward the vision of building a community with a shared future for mankind, providing a new answer to what kind of world to build and how to build it. This is the best way to inherit, advance and enrich the Five Principles of Peaceful Coexistence under new circumstances.

From the Five Principles of Peaceful Coexistence to building a community with a shared future for mankind, China has remained consistent in the exploration for new ways of state-to-state relations, remained committed to our responsibility in upholding world peace and development, and remained steadfast in pursuing a just and equitable international order.

Over the past decades, the Five Principles of Peaceful Coexistence conformed to the trend for national independence and liberation in Asia, Africa and Latin America, and answered the very important question of how to handle state-to-state relations. Going forward, the Chinese initiative of building a community with a shared future for mankind has become an international consensus. The beautiful vision has been put into productive actions. It is moving the world to a bright future of peace, security, prosperity and progress.

Of all the forces in the world, the Global South stands out with a strong momentum. Standing at a new historical starting point, the great cause of building a community with a shared future for mankind requires the Global South to stay ahead of the historical trend. The Global South should be more open and more inclusive, jointly maintain peace and stability, promote open development, construct global governance, and advocate for the exchange among civilisations.

Both China and Qatar are important members of the Global South. In recent years, under the strategic guidance of President Xi Jinping and His Highness the Amir Sheikh Tamim bin Hamad al-Thani, China-Qatar relations have developed rapidly and comprehensively, serving as a model for countries with different social systems to firmly adhere to the Five Principles of Peaceful Coexistence, engage in friendly exchanges, and foster mutually beneficial co-operation.

Both China and Qatar are the staunch forces for peace, dedicated to promoting peaceful settlement of international disputes, and participating constructively in the political settlement of international and regional hotspot issues. They are core driving forces for open development, committed to restoring development as the central international agenda item with clear and feasible national development visions and goals, reinvigorating global partnerships for development, and deepening South-South co-operation as well as North-South dialogue.

China and Qatar are also construction teams of global governance and advocates for exchange among civilisations. Both countries actively participate in reforming and developing the global governance system and contribute to enhancing inter-civilisation communication and dialogue.

This year marks the 10th anniversary of the establishment of the China-Qatar strategic partnership. China wishes to work with Qatar to take this opportunity to strengthen the political foundation of bilateral relations, elevate the mutually beneficial cooperation between the two countries to a new level.

China stands ready to join hands with Qatar and other countries in the world to overcome challenges, achieve shared prosperity, create an open, inclusive, clean and beautiful world of lasting peace, universal security, and shared prosperity, build a community with a shared future for mankind, and open up a brighter future for humanity.

‘Prerequisites for peace’:

Expert applauds Skylakakis for endorsing energy transition policies that 'open the way to dialogue and cooperation'



ATHENS, July 7, 2024 Greece: Energy and Environment Minister Theodoros Skylakakis is on the right track with his approach to Greece's energy transition plans, a noted regional expert says.

"He's got the right perspective," industry veteran and author Roudi Baroudi said after Skylakakis spoke at this week's Athens Energy Summit. "He understands that although the responsibility to reduce carbon emissions is universal, the best policy decisions don't come in 'one-size-fits-all'."

Baroudi, who has more than four decades in the field and

currently serves as CEO of Doha independent consultancy Energy and Environment Holding, made his comments on the sidelines of the forum, where he also was a speaker.

In his remarks, Skylakakis expressed confidence that Greece's increasing need to store electricity – as intermittent renewables generate a growing share of electricity – would drive sufficient investment in battery capacity, without the need for subsidies. Among other comments, he also stressed the need for European Union policymakers to account for the fact that member-states currently face the costs of both limiting future climate change AND mitigating the impacts that are already under way.

“Every country is different in terms of how it can best fight climate change. Each one has its own set of natural resources, industrial capacity, financial wherewithal, and other variables. What works in one situation might be a terrible idea elsewhere. That's crucial and Skylakakis gets it,” Baroudi said. “He also understands that an effective transition depends on carefully considered policies, policies that attract investment to where it can not only have the greatest impact today, but also maximizes the impact of tomorrow's technologies and tomorrow's partnerships.”



“What Skylakakis is saying and doing fits in nicely with many of the same ideas I spoke about,” Baroudi added. “When he talks about heavier reliance on wind farms, the added storage capacity is a foundation that will help derive a fuller return from each and every turbine. When he highlights the utility – pun intended – of power and gas interconnections with other countries and regions, these are the prerequisites for peace, the building blocks for cooperation and dialogue.”

In his own speech shortly after Skylakakis’, Baroudi told the audience at the capital’s Hotel Grande Bretagne that countries

in the Eastern Mediterranean should work together to increase cleaner energy production and reduce regional tensions.

“Surely there is a method by which we can re-establish the same common ground enshrined in the wake of World Wars I and II, recall the same common interests and identify new ones, and work together to achieve common goals, just as the UN Charter implores us to,” he said.

Baroudi advises companies, governments, and international institutions on energy policy and is an award-winning advocate for efforts to promote peace through dialogue and diplomacy. He told his audience that with both climate change and mounting geopolitical tensions posing threats to people around the world, policymakers needed to think outside the usual boxes.

In this way, he argued, “we might develop the mutual trust which alone can create a safer, happier, and better world for our children and grandchildren.”

“Consider the possibilities if Greece, Türkiye, and Cyprus became de facto – or de jure – partners in a pipeline carrying East Med gas to consumers in Bulgaria, Romania, and Italy,” he said. “Imagine a future in which Israeli and Lebanese gas companies were similarly – but independently – reliant on the same Cypriot LNG plant for 10-20%, or even more, of their respective countries’ GDPs.”

He also envisioned bilateral cooperation scenarios between Greece and Turkey and Syria and Turkey, as well as a regional interconnection that would provide backup energy for multiple coastal states.

“Instead of accepting certain ideas as permanently impossible, we ought to be thinking ahead and laying the groundwork,” Baroudi said. “For Greece and Türkiye – as for other pairs of coastal states in the region – a good starting point would be to emulate the Maritime Boundary Agreement agreed to by

Lebanon and Israel in 2022.”

Stressing the potential for cooperation to address both energy requirements and the stability required for stronger growth and development, Baroudi – whose books include a 2023 volume about the Lebanon-Israel deal and a forthcoming one urging other East Med countries to do the same – called on the EU to take up the challenge.

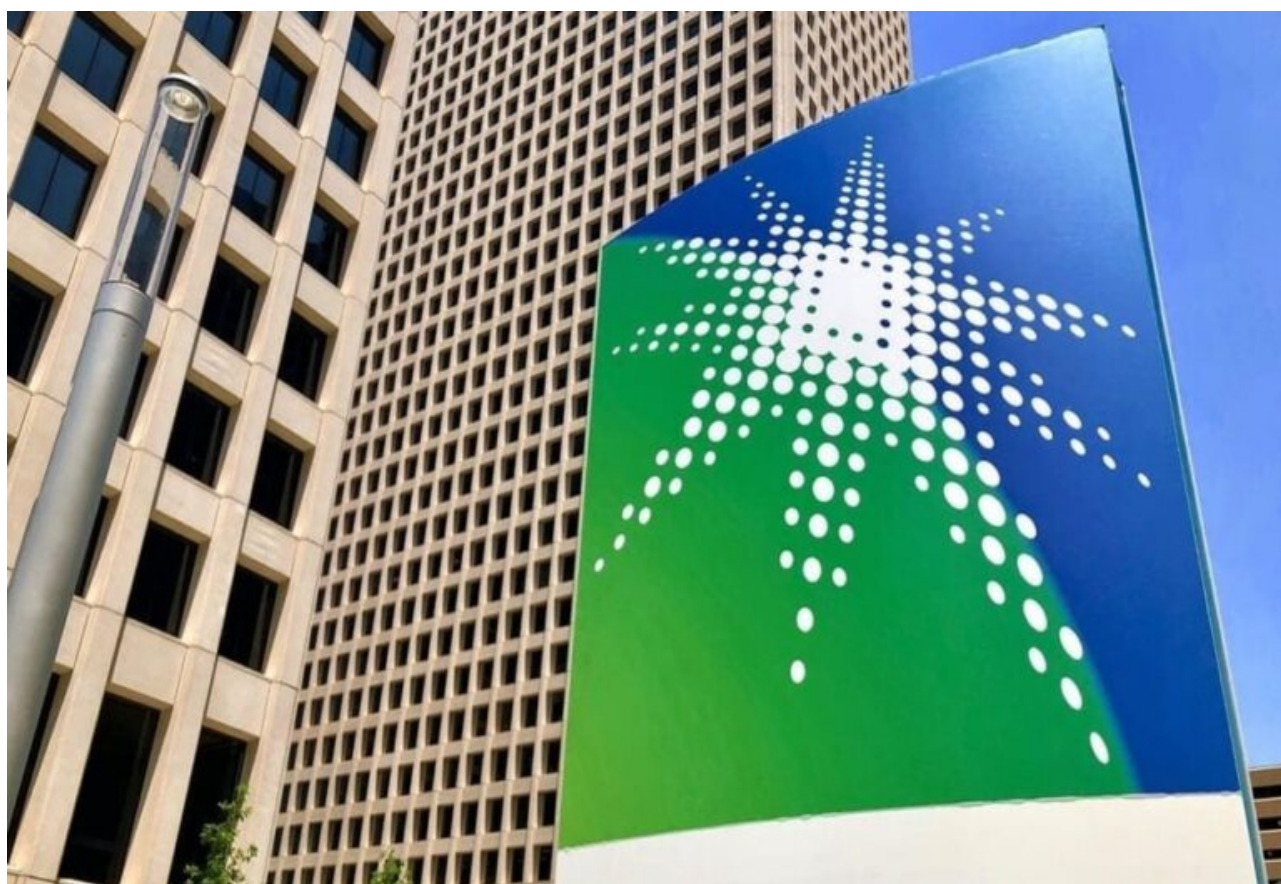


“Using dialogue and diplomacy to expand energy cooperation would benefit not just the countries of the East Med but also the entire European Union and much of its surrounding ‘neighborhood’,” he told an audience of energy professionals and key government officials. “That level of promise more than merits the attention of Brussels, the allocation of support resources, and even the designation of a dedicated point-person tasked with facilitating the necessary contacts and negotiations.”

“This is how we need to be thinking if we want to get where we need to go,” Baroudi said. “Instead of allowing ourselves to be discouraged by the presence of obstacles, we need to be investigating new routes that go around them, strengthen the

rule of law – especially human rights law – as a basis for the international system, and promote lasting peace among all nations. Only then can we declare victory over what the 18th-century Scottish poet Robert Burns called ‘man’s inhumanity to man’.”

Saudi Aramco awards \$25bn in contracts for gas expansion



Saudi Aramco, the world’s biggest oil producer, has awarded contracts worth more than \$25bn for the second phase of the expansion of its Jafurah gas field and the third phase of expanding its main gas network.

The development of the Jafurah field, which is estimated to

hold 200 trillion cubic feet of gas, is expected to cost \$100bn and boost the state energy firm's gas production by more than 60 per cent by 2030.

"These contract awards demonstrate our firm belief in the future of gas as an important energy source, as well as a vital feedstock for downstream industries," said Amin H. Nasser, Aramco president & CEO.

"The scale of our ongoing investment at Jafurah and the expansion of our master gas system underscores our intention to further integrate and grow our gas business to meet anticipated rising demand."

Aramco awarded 16 contracts, worth a combined total of around \$12.4bn, for phase two development at Jafurah. This phase will include the construction of gas compression facilities, pipelines, the expansion of the Jafurah gas plant, gas processing trains, utilities, sulfur, and export facilities.

The expansion includes the construction of new riyas natural gas liquids (NGL) fractionation facilities in Jubail, including NGL fractionation trains, utilities, storage, and export facilities.

The state-energy giant also awarded 15 lump sum turnkey contracts worth approximately \$8.8bn to kick off the phase three expansion of the master gas system. The expansion will increase the size of the network and raise its total capacity by an additional 3.15 billion standard cubic feet per day (bscfd) by 2028 through the installation of around 4,000km of pipelines and 17 new gas compression trains.

Furthermore, Aramco awarded an additional 23 gas rig contracts worth \$2.4bn, two-directional drilling contracts worth \$612m, and 13 well tie-in contracts at Jafurah, for a total of \$1.63bn.

Aramco's LNG ambitions

Saudi Arabia is working on developing its unconventional gas reserves, which require advanced extraction methods such as those used in the shale gas industry.

Aramco signed 40 corporate procurement agreements worth \$6bn with local suppliers in February as the state-owned energy giant seeks to develop the country's energy services sector while boosting its localisation programme.

The agreements cover the supply of a range of products comprising strategic commodities, such as instrumentation, electrical, and drilling equipment.

Meanwhile, an additional 15 trillion standard cubic feet of gas (scfd) were proven at Aramco's Jafurah field in February, adding significant volumes to the kingdom's proven gas and condensate reserves.

The company estimates that Jafurah's reserves have reached 229 trillion cubic feet of gas and 75 billion barrels of condensates. Jafurah is the country's largest unconventional non-oil-associated gas field and reportedly the biggest shale gas development outside of the US.

Aramco is expanding its portfolio into LNG at a time when global demand for the fuel has surged, particularly in Europe, which is replacing reduced pipeline supplies from Russia. It forayed into the global LNG market last September by acquiring a minority stake in EIG Partners' MidOcean Energy in a deal valued at \$500m.

The state-energy giant signed non-binding agreements with two US energy firms Sempra and NextDecade, for the supply of 5 million tonnes per annum (mtpa) and 1.2 of mtpa LNG, respectively, for 20 years.

'Saudi Aramco in LNG talks with US Tellurian, NextDecade'



Reuters

London

Oil giant Aramco is in talks with US firms Tellurian and NextDecade on two separate LNG projects as the Saudi firm seeks to boost its gas trading and production, three sources close to the talks told Reuters.

US gas production has boomed over the past decade with oil majors and Aramco's rivals competing to build several projects to export gas to Europe and Asia.

The state energy firm is in talks with Tellurian to buy a stake in its 27.6mn metric tonne per annum (mtpa) Driftwood LNG plant near Lake Charles, Louisiana.

Aramco officials visited the site three times last month – including together with executives from Australia’s Woodside on one of those occasions, said the sources who declined to be identified as talks are not public. Aramco is also in talks with US LNG firm NextDecade for a long-term gas purchase agreement from a proposed fifth processing unit at its \$18bn Rio Grande facility.

Aramco declined to comment. Tellurian said it does not comment on market speculation. Woodside said it continuously assesses organic and inorganic growth opportunities but declined further comment. NextDecade did not immediately respond to Reuters request for comment.

Aramco is seeking to strengthen its position in the LNG market, which is set to grow by 50% by 2030, especially in the US, where LNG capacity is set to almost double over the next four years.

Tellurian has spent years and hundreds of millions of dollars on trying to finance and build the Driftwood plant.

Last fall, Tellurian warned investors that continued losses and dwindling cash reserves might not be enough within a year to cover operating and debt costs.

Aramco is one of the world’s largest oil producers and top exporter, pumping nearly 10% of the world’s crude supply.

Aramco made its first LNG investment abroad when it bought a stake in US MidOcean Energy for \$500mn last year.

In March, Reuters reported that Aramco was in talks to invest in Sempra Infrastructure’s Port Arthur project in Texas.

It is also competing with Shell to buy the assets of Temasek-owned LNG trading firm Pavilion Energy.

Asia continues to be 'principal market' for Qatar LNG; accounts for 72% of total supplies in 2022, says GECF



Principal market for Qatari LNG continues to be Asia, accounting for 72% of its total supplies in 2022, Doha-based Gas Exporting Countries Forum (GECF) said in a report.

Qatar accounted for 16% of European LNG imports in 2022, GECF said in its 'Global Gas Outlook 2050'.

In 2022, net gas exports from the Middle East amounted to 139 bcm. Projections indicate a significant surge in overall net

exports to 292 bcm by 2050.

In 2022, the Middle East contributed 96mn tonnes to global LNG exports, representing 25% of the total global LNG exports.

Qatar secured the top position as the leading global LNG exporter, shipping 79mn tonnes, while Oman and the UAE exported 11mn tonnes and 5.5mn tonnes respectively.

“Notably, Qatar supplied 16% of European LNG imports. However, Europe only represented 24% of Qatar’s overall LNG exports, while the principal market for Qatari LNG continued to be Asia, accounting for 72% of the total,” GECF said.

According to the forum, the “primary force propelling natural gas exports” from the Middle East is set to be growth in LNG supplies, notably led by Qatar.

The upward trajectory of Qatar’s position as a leading global LNG exporter in 2022 indicates a growing momentum towards additional expansions or advancements post-2030s and 2040s following the North Field expansion projects.

With ambitions to increase its current capacity of 77mn tonnes per year by 64%, Qatar aims to reach 126mn tonnes per year through the North Field expansion by 2028.

By 2050, LNG exports from the Middle East will reach 205mn tonnes, largely due to the expansion efforts in Qatar. Anticipated long-term LNG imports are predicted to reach 16mn tonnes by 2050.

Consequently, the long-term outlook suggests an expansion of LNG net exports to reach 189mn tonnes. Primary destination for Middle Eastern LNG is expected to continue being Asia, with that region set to have an even more significant role in the long run.

By 2050, GECF noted, the Asia Pacific region is poised to receive 186mn tonnes of LNG sourced from the Middle East, constituting over 90% of all LNG exported from that region.

The region possesses 101mn tonnes per year of liquefaction capacity, primarily dominated by Qatar’s 77mn tonnes per year. Plans are in progress from 2022 to 2050 to add approximately 130mn tonnes per year of extra LNG liquefaction capacity to the region, with Qatar leading expansion efforts.

The utilisation rate of this increased LNG liquefaction capacity is projected to be high, surpassing 90% by 2050, GECF said.

**What's next after new
Energean gas discovery in
Israel's Karish North Field?
Expert underlines need for
Lebanon to lay groundwork for
maritime boundary deals with
Cyprus and Syria**



DOHA/BEIRUT – By Myriam Balaa: Israel's latest undersea gas find further demonstrates that Lebanon should be doing everything it can to pave the way for its own offshore oil and gas industry, specifically by settling its maritime boundaries with Cyprus and Syria, one of the region's foremost authorities on energy development says.

In an interview following Greek/Israeli-owned Energean's announcement of a second discovery in the Karish North Field adjacent to Lebanese waters, energy consultant Roudi Baroudi said the news was actually good for Lebanon.

"It's no surprise that they found more. It just underscores

what we've known for several years: we haven't located all the resources tucked away beneath the seabed of the East Med, including deposits awaiting discovery off Lebanon's coast," said Baroudi, who has more than four decades of experience in the energy business. "The problem is that Lebanon's ongoing political quagmire has caused significant delays in the development of the country's nascent offshore hydrocarbon sector."

Baroudi, who currently serves as CEO of Energy and Environment Holding, an independent consultancy based in Doha, Qatar, confirmed that the new find seemed to be located very close to the maritime boundary line (MBL) agreed to by Lebanon and Israel in October 2022. That agreement, reached after years-long mediation by the United States, was a "necessary step", he explained, but "it alone has not been sufficient to fully activate Lebanon's oil and gas industry."

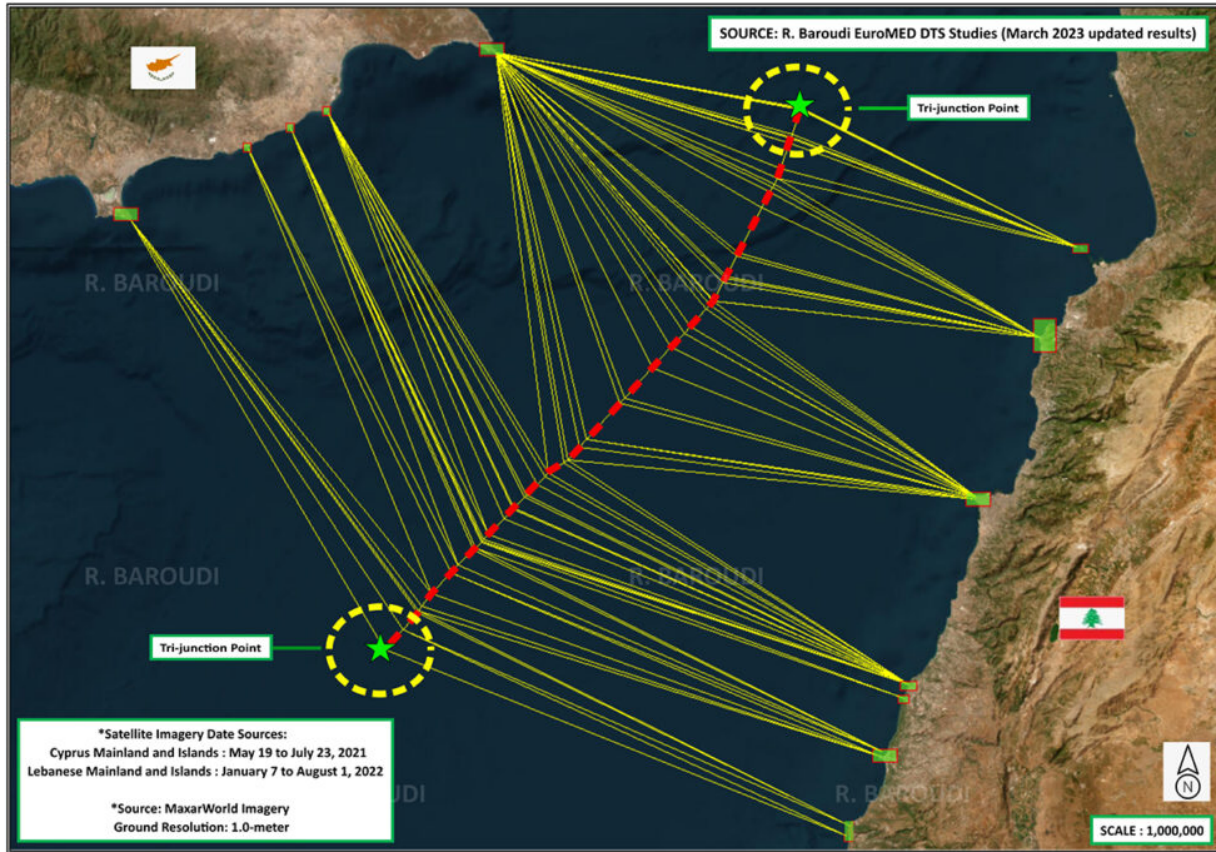
Asked how Beirut should proceed at this juncture, he stressed the importance of moving ahead with efforts to finalize Lebanon's MBLs with Cyprus and Syria, "which would achieve full international recognition of Lebanon's Exclusive Economic Zone, thereby reducing the risk for the big energy companies whose assistance we need in order to fully explore and exploit our offshore resources."

"We've already negotiated the different equidistance points for a completed MBL agreement with Cyprus, we just haven't ratified it," Baroudi explained. "That means we just have to adjust a few coordinates in order to set a trijunction point where the Lebanese, Cypriot, and Israeli MBLs intersect at sea. And setting that trijunction in the south will automatically simplify the process of setting another in the north for Lebanon-Cyprus-Syria".

CYPRUS - LEBANON MBL

Cyprus vs. Lebanon *Strict Equidistance Maritime Boundary Line (MBL)

100% *Full Effect Line (red dashed line), using all relevant Cyprus coastlines and offshore Islands (see close-up inset example), plus also all relevant Lebanese mainland coastlines and all offshore Islands (see closeup inset example). This MBL begins at the northern computed Cyprus-Syria-Lebanon Trijunction point (TRJ ~ green star) and terminates at the southern modified computed Cyprus-Lebanon-Israel Trijunction point (TRJ ~ green star). See the report for specific details on the Trijunction Points and MBL Line Latitude and Longitude geographic coordinates, along with methodology on how the Trijunction Points and this MBL was produced.



He also played down claims in some circles that a significant gap exists between the Lebanon-Cyprus line and the Cyprus-Israel line, making it more difficult to set a trijunction.

“There is a gap, of course, but it’s really quite small,” Baroudi told the reporters “The proof of this is in the delineation of the offshore blocks issued by both Lebanon and Cyprus about a decade ago. On all the international blocks maps of the area, even including the ones issued by the oil and gas companies, which focus on accurate portrayals of acreage, there is no overlap. In fact, virtually all of the line between Lebanese and Cypriot blocks precisely tracks almost a MBL line agreed which Nicosia and Beirut agreed to in the unratified agreement. The difference at the southern end of the trijunction point is very, very small.”

The smaller the gap, he explained, the easier it should be to finish defining Lebanon's EEZ.

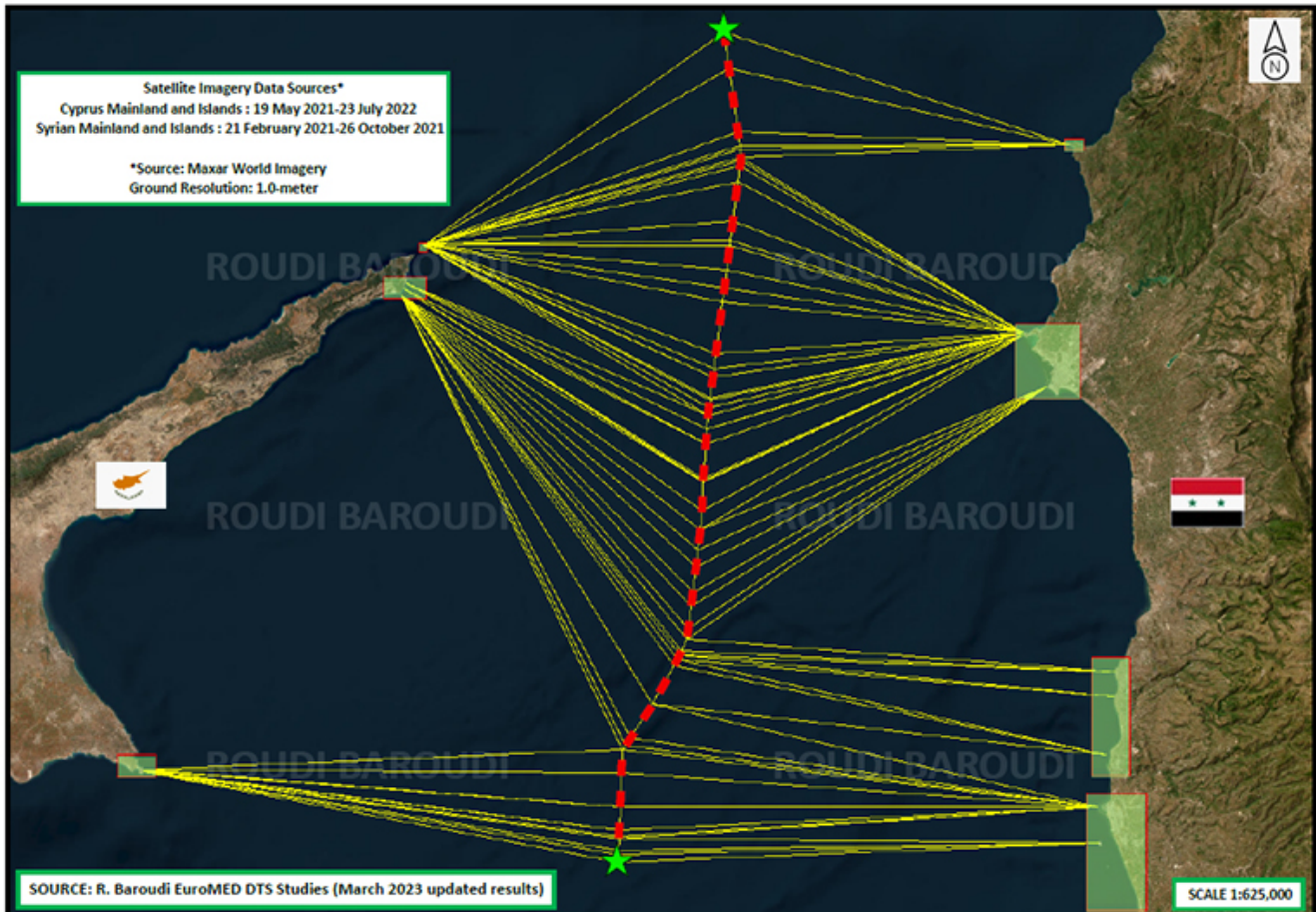
"Since the lines are so close, setting a trijunction – the point where the Lebanese, Cypriot, and Israeli boundaries intersect – should be relatively easy," he said. "In addition, agreeing that trijunction in the south would automatically simplify the process of setting one in the north for Lebanon-Cyprus-Syria. And keep in mind: Lebanon has strong & friendly relations with both Cyprus and Syria, so these negotiations will be a lot friendlier than the ones with Israel, which had to be pursued indirectly via American mediation."

When asked about how any new diplomatic efforts might be affected by the long-running political paralysis in Beirut, where the presidency has been vacant since late 2022 because rival parties in Parliament can't agree on a successor to former President Michel Aoun, Baroudi said the quagmire only accentuated the need for action.

CYPRUS-SYRIA MARITIME BOUNDARY LINE

Cyprus vs. Syria Strict Equidistance MBL*

*100% Full Effect Line (red dashed line), using all relevant Cypriot coastlines and offshore islands (see close-up inset example), plus all relevant Syrian mainland coastlines and offshore islands (see close-up inset example). This MBL begins at the northern computed Cyprus-Türkiye-Syria Trijunction Point (upper green star) and terminates at the southern computed Cyprus-Syria-Lebanon Trijunction Point (lower green star). See the report for specific details on the geographic (longitude and latitude) coordinates of the MBL and Trijunctions, along with an explanation of the methodology used to produce the MBL and Trijunctions.



“Right now, Lebanon can’t officially ratify into a new MBL agreement with either Cyprus or Syria because it requires a presidential signature, but that doesn’t stop us from carrying out the necessary talks,” he said. “In fact, we should be rushing to get all of this settled now so that when we finally fill the vacancy at Baabda Palace, we’ll have everything ready for the new president’s signature.”

In addition to settling its maritime boundaries, Baroudi said Lebanon also had another reason to re-engage with neighboring countries.

“It’s been almost ten years since Cyprus proposed a

unitization agreement (joint development agreement) with Lebanon for joint production from any deposits that straddle their shared MBL,” he recalled, “and the Lebanese paralysis has kept it from happening. We need to revive this process and get a deal in place. That way, again, once we have a president in office, we’ll be ready to hit the ground running, with no further delays, and start collecting the badly needed gas revenues”.

US gas glut gets hedge funds ultra bearish



LONDON, Feb 26 (Reuters) – Portfolio investors have become extremely bearish about the outlook for U.S. gas prices, even though prices have already fallen to their lowest level in real terms since futures began trading in 1990.

Hedge funds and other money managers sold the equivalent of 399 billion cubic feet (bcf) in the two major futures and options contracts linked to prices at Henry Hub in Louisiana over the seven days ending on Feb. 20.

Fund managers have been net sellers in each of the most recent five weeks, selling 2,085 bcf since Jan. 16, according to position reports filed with the U.S. Commodity Futures Trading Commission.

As a result, the combined position has been reduced to a net short of 1,675 bcf (3rd percentile for all weeks since 2010) down from a net long of 410 bcf (42nd percentile) in the middle of January.

The gas market has been chronically oversupplied in recent months, with inventories 436 bcf (+21% or +1.26 standard deviations) above the prior 10-year seasonal average on Feb. 16.

The surplus has swelled consistently since the start of the winter heating season on Oct. 1, when it was just 64 bcf (+2% or +0.24 standard deviations).

Chartbook: Gas and oil positions, opens new tab

Exceptionally strong El Niño conditions over the Pacific ensured temperatures have been mostly above average across the major population centres of the northern United States.

Domestic gas production has continued to increase, in spite of the relatively low prices, adding to the burgeoning surplus of gas in storage.

The rig count for gas has actually increased marginally since September 2023 as producers have been unresponsive to falling prices until the last few weeks.

In addition, more associated gas is being produced as a co-product of drilling for oil, where prices are close to the long-term inflation-adjusted average and drilling rates are steady.

From a purely positioning perspective, the balance of risks must lie to the upside, with real prices at multi-decade lows and lots of short positions that must eventually be repurchased.

Short positions have only ever been greater in the first quarter of 2020, when stocks were at record levels and the economy was bracing for the arrival of the first wave of the coronavirus epidemic.

So there is potential for a huge short-covering rally if and when the news flow becomes more positive and inventories start to erode.

But hedge fund managers have tried and failed to identify the turning point three times in the last twelve months and been forced to retreat each time.

Bloated gas stocks in Europe and Japan after the price spike of 2021/22 will make it hard for the market to rebalance via increased exports.

Many analysts now expect the rebalancing to be postponed until the winter of 2024/25 with prices likely to remain suppressed until nearer then.

PETROLEUM

Investors continued to add to their position in petroleum-related futures and options over the seven days ending on Feb. 16, but at a slower rate than in previous weeks.

Hedge funds and other money managers purchased the equivalent of 17 million barrels in the six most important petroleum-linked futures and options contracts.

All the buying was concentrated in NYMEX and ICE WTI (+29 million barrels) with small sales in Brent (-4 million), European gas oil (-4 million), U.S. diesel (-4 million) and U.S. gasoline (-1 million).

Even after the recent buying, positions in WTI remain the most bearish of any of the major oil contracts, weighed down by the continued rise in domestic oil production, even as OPEC restricts Middle East supplies.

The net position in NYMEX and ICE WTI of 109 million barrels is still in only the 8th percentile for all weeks since 2013.

That compares with net positions in Brent, gasoline and the distillates contracts all between the 60th and 70th percentiles.

WTI buying seems to have been motivated by unwinding previous bearish short positions (-17 million barrels) and cautious initiation of new longs (+13 million).

Crude inventories around the NYMEX WTI delivery point at Cushing in Oklahoma are still 14 million barrels (-32% or -1.14 standard deviations) below the prior 10-year seasonal average. Despite an extended shutdown of BP's refinery at

Whiting in Indiana, Cushing stocks have increased only slightly in the last two weeks, underscoring the risk of a squeeze on deliverable supplies.

With positioning so bearish, the balance of risks lies to the upside; some fund managers have begun to cut short positions and get long accordingly.

Ras Laffan petchem complex to reinforce Qatar's position in global petrochemical industry



Ras Laffan petchem complex to reinforce Qatar's position in global petrochemical industry.

Qatar's strong position in the global petrochemical industry will be further enhanced with the \$6bn Ras Laffan

Petrochemical Complex, one of the largest in the world, will start production by the end of 2026.

By then, Qatar's overall petrochemical production capacity is estimated to touch 14mn tonnes a year.

The Ras Laffan Petrochemical Complex is Qatar Energy's largest investment ever in Qatar's petrochemical sector, and marks a very important milestone in the country's downstream expansion strategy.

The petrochemical complex will not only facilitate further expansion in Qatar's downstream and petrochemical sectors, but will also reinforce the country's integrated position as a major global player in the upstream, LNG and downstream sectors.

The Ras Laffan Petrochemicals complex consists of an ethane cracker with a capacity of 2.1mn tonnes of ethylene per year. The 435 -acre project site also includes two polyethylene trains with a combined output of 1.7mn tonnes per year of high-density polyethylene (HDPE) polymer products. His Highness the Amir Sheikh Tamim bin Hamad al-Thani laid the foundation stone for the Ras Laffan Petrochemical Complex on February 19.

QatarEnergy has joined hands with Chevron Phillips Chemical Company (CPChem) on the project and created a joint venture, in which QatarEnergy will own a 70% equity share, and CPChem 30% stake.

In a few years, the Ras Laffan petrochemicals complex will help meet the rising global demand for high-density polyethylene, when the largest ethane cracker in the Middle East and one of the largest in the world begins production.

Polyethylene is used in the production of durable goods like pipe for natural gas and water delivery and recreational products such as kayaks and coolers. It is also used in packaging applications to protect and preserve food and keep medical supplies sterile.

The facility will be constructed with modern, energy-saving

technology and use ethane for feedstock, which along with other measures, is expected to result in lower greenhouse gas emissions than similar global facilities.

The integrated olefins and polyethylene facility will be utilising “state-of-the-art design and technology” during its construction and operation to promote energy efficiency.

It is important to stress the unique environmental attributes of this world-scale complex. It will have lower waste and greenhouse gas emissions, when compared with similar global facilities.

The Ras Laffan Petrochemicals Complex will be utilising “state-of-the-art design and technology” during its construction and operation to promote energy efficiency.

The world-class construction, operation, and technology standards planned at the complex are all designed to ensure energy savings, and significant reduction of emissions and hydrocarbon waste compared with similar global facilities. HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi said: “Our two companies (Qatar Energy and Chevron Phillips Chemical Company) are making sure we buy and implement the best technology available to reduce emissions. In the last 20 years or so, there has been a huge leap in emissions reduction and energy use. Wherever we can recycle, we will;’ Ras Laffan Petrochemical Complex will also have multiplier effects on Qatar’s economy as it is expected to generate significant economic benefits for the country including increased tax revenue and foreign investment.

QatarEnergy drills 20+ appraisal wells past 10 years; confirms huge increase in NF gas reserves

The drilling of more than 20 appraisal wells in the past 10 years using state-of-the-art technologies has confirmed significant increase in North Field (NF) gas reserves, to more than 2,000 trillion cubic feet, said HE the Minister of State for Energy affairs, Saad Sherida al-Kaabi.

Addressing a press conference at the QatarEnergy headquarters yesterday, al-Kaabi said, "I want to specifically mention the tireless work over the past two decades to evaluate the giant North Field and unlock its potential, especially in sectors that were not covered extensively by previous drilling and evaluation work."

Most recently, QatarEnergy has focused its efforts and attention on determining how far west the North Field extends in order to evaluate the production potential from those areas.

"We have continued geological and engineering studies and have drilled a number of appraisal wells in that area.

"I am pleased to announce today that, praise be to God, these great efforts have confirmed, through technical tests of the appraisal wells, the extension of the North Field's productive layers further towards the west, which means the ability to produce significant quantities of gas from this new sector.

"Recent studies have shown that the North Field contains huge additional gas quantities in the North Field estimated at 240tn cubic feet, which raises Qatar's gas reserves from 1,760tn cubic feet to more than 2,000tn cubic feet, and the condensates reserves from 70 to more than 80bn barrels, in

addition to large quantities of liquefied petroleum gas, ethane, and helium.”

Al-Kaabi noted, “These are very important results of great dimensions that will take Qatar’s gas industry to new horizons, as they will enable us to begin developing a new LNG project from the North Field’s western sector with a production capacity of about 16 MTPY.

“As such, Qatar’s total LNG production will reach about 142MTPY when this new expansion is completed before the end of this decade. This represents an increase of almost 85% compared to current production levels. With the completion of this project, Qatar’s total hydrocarbon production will exceed 7.25mn barrels of oil equivalent per day.”

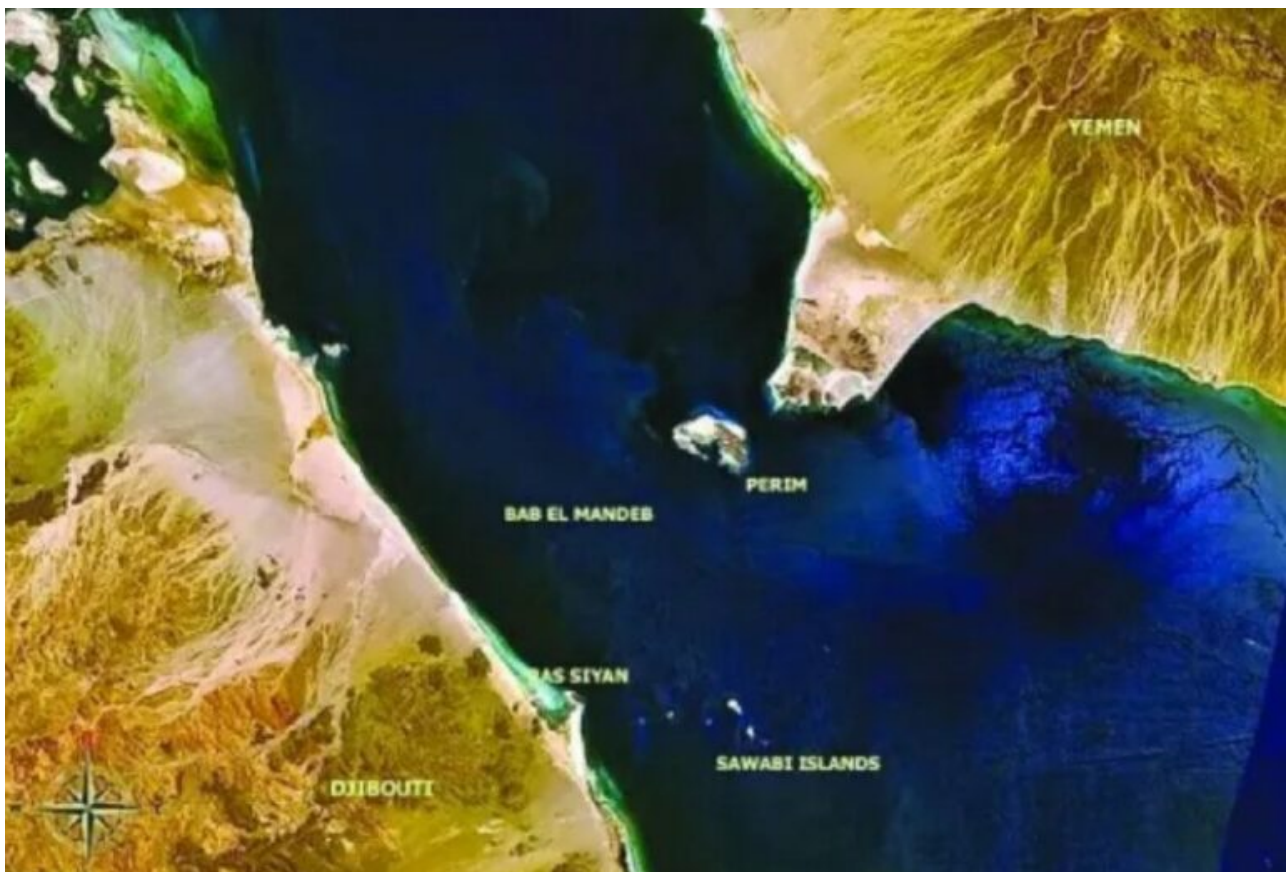
The minister revealed that QatarEnergy will immediately commence the basic engineering works necessary to ensure that the planned progress is achieved according to the approved schedule for this new project, which will be called the ‘North Field West’.

“These expansion project, which we are working to implement, aim to achieve optimal utilisation and management of our natural resources with the aim of contributing to what our wise leadership aspires to in terms of ensuring the economic and social well-being of current future generations of Qatar as articulated by the Qatar National Vision 2030.

“At the same time, these projects reaffirm QatarEnergy’s commitment to reinforce its global leadership in the production and supply of LNG and live up to its commitment to provide an economic, safe and reliable energy source, giving priority to environmental sustainability for a more prosperous and brighter future.”

Minister al-Kaabi also expressed his sincere thanks and gratitude to His Highness the Amir, Sheikh Tamim bin Hamad al-Thani for his wise leadership and guidance, and the unlimited support of Qatar’s energy sector.

The War of the Straits: Impact on the World Energy Market



By Roudi Baroudi, TLN Senior Fellow

The recent significant disruptions in shipping through the Strait of Bab el Mandeb, situated between Yemen and Djibouti, underscore the geopolitical fragility of the waterway akin to that of the more widely acknowledged Strait of Hormuz. Among the six globally sensitive passages, including the Bosphorus, the Panama Canal and Malacca, the Middle East region boasts three critical and strategic maritime routes: the Suez Canal, Bab el Mandeb in the south of the Red Sea, and the Strait of Hormuz.

These passages witness the transit of not only crude oil and petroleum products but also liquefied natural gas (LNG). Bab el Mandeb, with its unique characteristic as a transit route for both northbound and southbound traffic, plays a pivotal role. Approximately 12 percent of total seaborne quantities traded to Europe, the U.S. and key Asian markets, including China, India and Singapore, pass through the Bab el Mandeb Strait. Protecting the unimpeded flow of energy trade on a global scale is a vital commitment, essential for maintaining it sustainable, affordable and securing supply to the world.

Reflecting on the 1960s, when the Suez Canal faced disruptions during and after the 1967 war, several nations, notably Saudi Arabia, Kuwait, Qatar, the United Arab Emirates and Bahrain, collectively financed the construction of the SUMED pipeline. This double pipeline, stretching 320 kilometers from the Red Sea to the Mediterranean – passing entirely through Egypt, was instrumental in ensuring a continuous flow of approximately 2.5 million barrels of crude oil to Europe.

Saudi Aramco subsequently erected a dual pipeline from the Abqaiq Oil Field (in the east of the Kingdom) to the Yanbu Industrial Port (in the west), capable of transporting 5 to 7 million barrels per day. This strategic deterrent pipeline was a precautionary measure in case of a complete Strait of Hormuz closure. These initiatives not only protect the free trade of oil and gas but also underscore the significance of securing the unimpeded shipping of hydrocarbon products for reliable and secure energy trade.

In a similar vein, the U.S. has previously faced similar challenges and responded strategically. During the Tankers War, then-President Ronald Reagan initially ordered Kuwaiti tankers to be escorted, eventually extending the protection to all commercial ships navigating in and out of the Strait of Hormuz. This broad security measure included a 24-hour air surveillance conducted by AWACS planes.

Applying lessons learned, similar measures could be

implemented in Bab el Mandeb, considering its geographical similarity to the Strait of Hormuz, with both having narrow coast-to-coast widths at specific points. The minimum width of the Strait of Hormuz is 21 nautical miles, while Bab el Mandeb measures around 19 miles.

The significance of energy transit choke points through narrow channels cannot be overstated. As one-half of the world's crude oil supply relies on maritime transportation, protecting the free flow of oil and gas through maritime shipping routes is crucial for global energy price stability and security.

Dr. Roudi Baroudi, currently serves as CEO of Energy and Environment Holding, an independent consultancy based on Doha, has written extensively on the region, including "Maritime Boundaries in the Mediterranean: The Way Forward", a 2021 book that called for the very sort of creative diplomacy used to reach the Lebanon-Israel agreement. His latest book – "Climate and Energy in the Mediterranean: What the Blue Economy Means for a Greener Future" (published by the TLN this year and distributed by Eurospan). Baroudi is also a Senior Fellow at the Transatlantic Leadership Network, a Washington, DC-based Think tank. He is a recipient of TLN's 2023 "Leadership Award" for his ongoing work to promote peace and mutual cooperation in the Eastern Mediterranean.