

Qatar's second gas boom about to get underway: PwC



The long-term outlook for Qatar's second gas boom does not fundamentally change whatever the eventual economic impact of Covid-19 be, on both the energy market and the country's non-hydrocarbons economy, a new report has shown.

According to PwC, the current crisis may even work to Qatar's advantage as potential competitors, particularly in the US, delay or cancel major LNG investments.

"The most important economic development in many years was the surprise announcement by Qatar Petroleum in November that new appraisals had extended estimates of both the geographic scope and volume of North Field," PwC said in the "Qatar Economy Watch".

The field, which was previously thought to be only offshore, has been found to extend at least 10 miles onshore and the reserves had been increased to 1,760tcf of gas and 70bn barrels of condensates (oil mixed in with the gas).

This is a “doubling” of gas reserves and more than a “tripling” in oil, compared with Qatar’s most recently published estimates. On the basis of the larger reserves, QP upsized its plans for the North Field Expansion project by 50%, to six new LNG trains, which will add 49mn tonnes/year (tpy) of capacity, about a 64% increase on the currently rated capacity of 77mn tpy.

“This is the fourth time the project has been upsized since the 12-year moratorium on new projects was lifted in 2017,” PwC noted.

However, some private firms have cancelled or delayed final investment decisions on new LNG projects as spot prices have dipped to record lows in recent months, threatening their margins and financing, the report noted.

The current crisis is likely to reduce the new supply that comes onstream in the mid-to-late 2020s but the underlying dynamics for demand growth – as gas replaces coal as a cleaner source of baseline electricity generation – remain unchanged.

The previous LNG expansion phase in 2007-2011 provided “significant opportunities” for firms across many sectors involved directly in the project implementation or indirectly providing services.

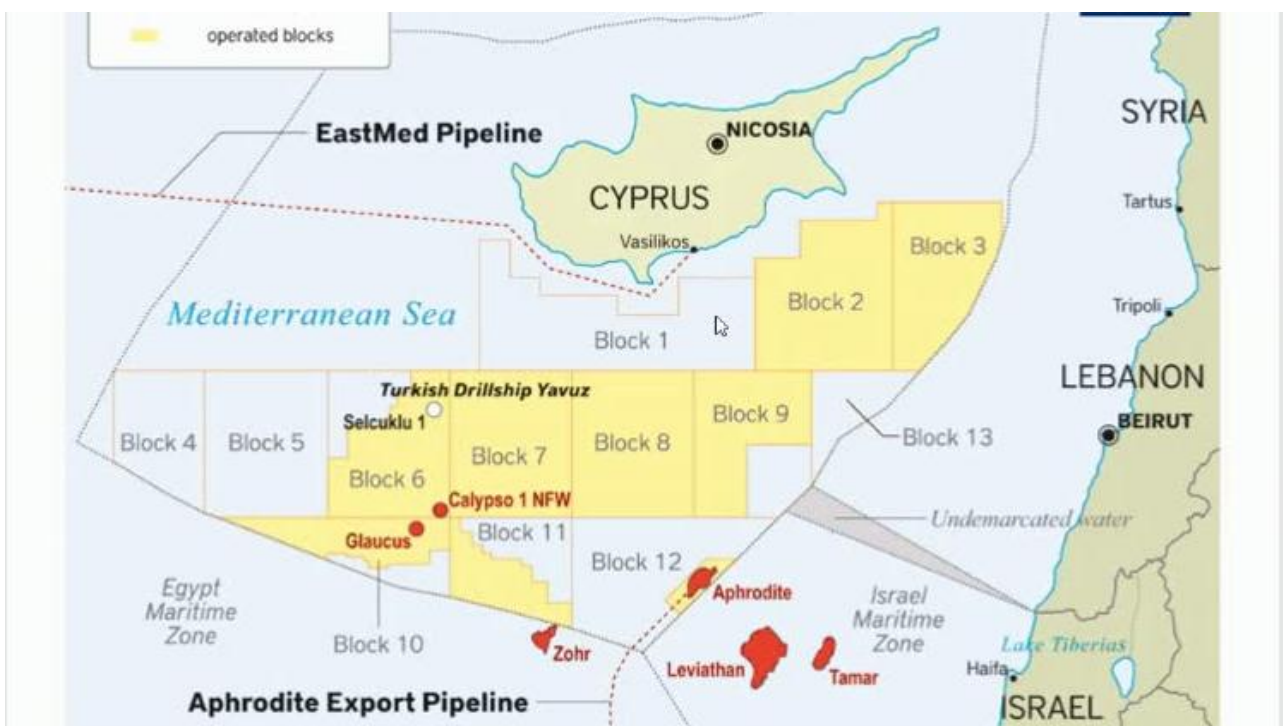
“Once in place, the boost to Qatar’s fiscal revenue provided wider spillover benefits to the non-oil economy through government spending,” PwC noted.

“Similar impacts are expected in the new expansion phase, which is of a similar magnitude. Even at current production levels, analysis from the IMF and ratings agencies give Qatar

the lowest breakeven oil price in the region and the Minister of Finance has said the breakeven price should fall further to under \$40 after 2022, even before the new LNG capacity comes online.

“The revenue from the LNG expansion therefore provides clear visibility for Qatar’s long-term finances that enables local firms to develop their post-Covid-19 business plans with minimal risks related to potential changes in tax or spending policy, unlike in other Gulf States where significant changes are required to balance budgets,” PwC said.

Différends Maritimes en Méditerranée Orientale: Comment en Sortir



Les différends de frontières maritimes en Méditerranée

orientale empêchent l'exploitation raisonnée des récentes découvertes énergétiques dans la région : un nouveau livre montre comment résoudre pacifiquement les conflits frontaliers maritimes.

L'ouvrage se présente comme une feuille de route pour aider les pays côtiers à exploiter les ressources offshore

Un nouveau livre de l'expert en politique de l'énergie Roudi Baroudi met en lumière des mécanismes souvent négligés qui pourraient aider à désamorcer les tensions et débloquer des milliards de dollars en pétrole et en gaz.

"Maritime Disputes in the Eastern Mediterranean: the Way Forward" («Différends Maritimes en Méditerranée Orientale: Comment en Sortir») -distribué par Brookings Institution Press- décrit le vaste cadre juridique et diplomatique dont disposent les pays qui cherchent à résoudre les conflits de frontières maritimes. Dans ce livre, M. Baroudi passe en revue l'émergence et l'influence (croissante) de la Convention des Nations unies sur le droit de la mer (CNUDM), dont les règles et les normes sont devenues la base de pratiquement toutes les négociations et de tous les accords maritimes. Il explique également comment les progrès récents de la science et de la technologie, notamment dans le domaine de la cartographie de précision, ont accru l'impact des lignes directrices de la CNUDM en éliminant les conjectures de tout processus de règlement des différends fondé sur celles-ci.

Comme le titre l'indique, l'ouvrage se concentre en grande partie sur la Méditerranée orientale, où les récentes découvertes de pétrole et de gaz ont souligné le fait que la plupart des frontières maritimes de la région restent discutées. L'incertitude qui en résulte ralentit non seulement l'utilisation des ressources en question (et le réinvestissement des recettes pour lutter contre la pauvreté et d'autres problèmes de société), mais augmente également le

risque d'un ou plusieurs conflits meurtriers. M. Baroudi fait toutefois remarquer que, tout comme ces problèmes et leurs conséquences existent dans le monde entier, leur résolution juste et équitable dans une région pourrait contribuer à restaurer la croyance qu'ont les peuples et leurs dirigeants dans le multilatéralisme, et servir ainsi d'exemple.

Si les pays de la Méditerranée orientale acceptaient, en vertu des règles de la CNUDM, de régler leurs différends de manière juste et équitable, écrit-il, "cela donnerait une chance de démontrer que l'architecture de sécurité collective de l'après-guerre reste non seulement une approche viable mais aussi une approche vitale... Cela montrerait au monde entier qu'aucun obstacle n'est trop grand, aucune inimitié si ancrée et aucun souvenir si amer qu'il ne puisse-t-être surmonté en suivant les règles de base auxquelles tous les États membres des Nations unies ont souscrit en y adhérant: la responsabilité de régler les différends sans violence ou menace de violence".

Le livre rappelle, de manière générale et spécifique, qu'il existe des leviers permettant d'uniformiser les règles du jeu diplomatique, une contribution utile à un moment où l'ensemble du concept de multilatéralisme est attaqué par certains des pays qui ont autrefois défendu sa création. L'ouvrage est écrit dans un style engageant, empruntant à plusieurs disciplines -de l'histoire et de la géographie au droit et à la cartographie- le rendant accessible et d'intérêt pour tous, des universitaires et des décideurs politiques aux ingénieurs et au grand public.

En attendant sa parution papier, ainsi que sa traduction en français prévue dans les prochaines semaines, le livre est disponible au format e-book. Dans le contexte actuel qui a forcé les maisons d'édition à adapter leur stratégie de lancement, l'ouvrage a fait l'objet ce jeudi d'un lancement organisé par TLN via zoom, avec la participation autour de l'auteur, de deux représentants éminents du Département d'État

américain – Jonathan Moore (premier sous-secrétaire adjoint principal, Bureau des océans et des affaires environnementales et scientifiques internationales) et Kurt Donnelly (sous-secrétaire adjoint pour la diplomatie énergétique, Bureau des ressources énergétiques).

PARIS : Webinaire, La Méditerranée Orientale à la Croisée des Chemins



Le Transatlantic Leadership Network annonce la publication de Maritime Disputes in the Eastern Mediterranean : The Way Forward, de Roudi Baroudi.

La Méditerranée orientale à la croisée des chemins : Les questions énergétiques au premier plan

Jeudi 11 juin 2020 9 H 30 – 11 H 00 EST

Avec la participation de : Dr. Roudi Baroudi, directeur général, Energy & Environment Holding ; Jonathan Moore, U.S. Department of State ; Senior Bureau Official/Principal Deputy Assistant Secretary, Bureau of Oceans and International Environmental and Scientific Affairs ; Kurt Donnelly, U.S. Department of State. Deputy Assistant Secretary for Energy

Diplomacy, Bureau of Energy Resources. Sous-secrétaire adjoint pour la diplomatie énergétique, Bureau des ressources énergétiques.

Remarques préliminaires : John B. Craig, Ambassadeur, Senior Fellow, Transatlantic Leadership Network.

Modéré par : Debra Cagan, Distinguished Energy Fellow, Transatlantic Leadership Network

« Un commentaire d'expert et un travail de fond ».

John B. Craig, ambassadeur, ancien assistant spécial du président George W. Bush pour la lutte contre le terrorisme, et ancien ambassadeur des États-Unis à Oman

« Baroudi plaide avec force pour un compromis afin que les États de la région puissent dépasser leurs différends coûteux et récolter les bénéfices de la coopération. L'approche de M. Baroudi a beaucoup à nous apprendre et, espérons-le, contribuera à des progrès pacifiques, si seulement les parties adverses l'écoutent ».

Andrew Novo, professeur associé d'études stratégiques à l'Université de la défense nationale

« ...Les pays de la région, ainsi que les États-Unis et l'Union européenne, devraient adopter l'approche de Baroudi pour réduire les tensions et profiter des avantages de cette manne d'énergie ».

Douglas Hengel, maître de conférences dans le cadre du programme sur l'énergie, les ressources et l'environnement de l'université Johns Hopkins, SAIS et chercheur au German Marshall Fund

À propos de l'auteur

Roudi Baroudi a 40 ans d'expérience dans les domaines du pétrole et du gaz, de la pétrochimie, de l'électricité, de la

réforme du secteur de l'énergie, de la sécurité énergétique, de l'environnement, des mécanismes de commerce du carbone, de la privatisation et des infrastructures. Ses avis sur ces questions et d'autres questions connexes sont fréquemment sollicités par des entreprises locales et internationales, des gouvernements et des médias.

Ενα Νέο Βιβλίο Δείχνει τον Δρόμο για την Ειρηνική Επίλυση των Διαφορών Αναφορικά με τα Θαλάσσια Σύνορα

THE TRANSATLANTIC LEADERSHIP NETWORK IS PLEASED TO ANNOUNCE THE PUBLICATION OF MARITIME DISPUTES IN THE EASTERN MEDITERRANEAN: THE WAY FORWARD, BY ROUDI BAROUDI



TLN TRANSATLANTIC LEADERSHIP NETWORK Through BROOKINGS PRESS

Ενας Οδικός Χάρτης Μπορεί να Βοηθήσει τα Παράκτια Κράτη να Επωφεληθούν του Υποθαλάσσιου Πλούτου

ΟΥΑΣΙΓΚΤΟΝ: Ο ειδικός σε θέματα ενέργειας, Ρούντι Μπαρούντι, στο νέο του βιβλίο αναδεικνύει μηχανισμούς μείωσης της έντασης, οι οποίοι συχνά ξεχνιούνται αλλά μπορούν να βοηθήσουν

στην εκμετάλλευση πετρελαίου και φυσικού αερίου αξίας δισεκατομμυρίων δολλαρίων.

Το βιβλίο *Διαφωνίες επί των θαλασσιών Συνόρων στην Ανατολική Μεσόγειο: Μια Πρόταση Επίλυσης* διανέμεται από το Ινστιτούτο Μπρούκινγκς και σκιαγραφεί το εκτενές νομικό και διπλωματικό πλαίσιο το οποίο διατίθεται για χώρες με διαφιλονεικούμενα θαλάσσια σύνορα. Ο συγγραφέας Ρούντι Μπαρούντι συζητά την αυξάνουσα επιρροή του Διεθνούς Δικαίου της Θάλασσης υπό την αιγίδα των Ηνωμένων Εθνών (United Nations Convention on the Law of the Sea – UNCLOS), οι κανόνες του οποίου αποτελούν πια την βάση για την επίλυση όλων, σχεδόν, των διαπραγματεύσεων και συμφωνιών στην θάλασσα. Εξηγεί, επίσης, πως οι πρόσφατες εξελίξεις στον επιστημονικό και τεχνολογικό τομέα – και ειδικά στην χαρτογράφηση ακριβείας – έχουν αυξήσει περαιτέρω την επιρροή των κανόνων του Διεθνούς Δικαίου της Θάλασσας, αφαιρώντας κάθε ενδεχόμενη ασάφεια από οποιαδήποτε διαπραγμάτευση που βασίζεται στους κανόνες του Δικαίου.

Το βιβλίο εστιάζει στην ανατολική Μεσόγειο, όπου οι πρόσφατες ανακαλύψεις υδρογονανθράκων ανέδειξαν το γεγονός ότι τα περισσότερα θαλάσσια σύνορα της περιοχής παραμένουν ακαθόριστα. Η αβεβαιότητα την οποία δημιουργεί αυτή η κατάσταση όχι μόνο καθυστερεί την εκμετάλλευση των πόρων και την διοχέτευση του πλούτου προς όφελος των κοινωνιών, αλλά δημιουργεί και κινδύνους θερμών επεισοδίων και πολέμων. Τέτοιου είδους προβλήματα υπάρχουν σε όλη την Γή. Ο Μπαρούντι σημειώνει, ωστόσο, ότι η δίκαιη επίλυσή τους σε μία περιοχή μπορεί να ενδυναμώσει την εμπιστοσύνη στους πολύπλευρους μηχανισμούς σε κάθε περιοχή.

Σε περίπτωση, σημειώνει, που οι χώρες της ανατολικής Μεσογείου συμφωνούσαν σε μια δίκαιη επίλυση των διαφορών τους με βάση το Διεθνές Δίκαιο, «θα ήταν μια έμπρακτη απόδειξη ότι η μεταπολεμική αρχιτεκτονική συλλογικής ασφάλειας παραμένει όχι μόνο εφικτή αλλά και απαραίτητη... θα απεδείκνυε σε όλον τον κόσμο ότι κανένα εμπόδιο δεν είναι τόσο μεγάλο και καμμία ιστορική εχθρότητα τόσο βαθιά ριζωμένη ώστε να μην

υπερσκελίζεται από τον βασικό κανόνα στον οποίο συναίνεσαν όλα τα μέλη των Ηνωμένων Εθνών με την συμμετοχή τους σε αυτόν – την ευθύνη να επιλύουν τις διαφορές τους χωρίς την χρήση ή την απειλή βίας.»

Το βιβλίο μας υπενθυμίζει πως υπάρχουν μοχλοί οι οποίοι μπορούν να αμβλύνουν τις διπλωματικές ανισότητες, και αυτό είναι ιδιαίτερα χρήσιμο σε μια εποχή όπου η όλη ιδέα της πολυπλευρικής προσέγγισης βάλλεται από τις ίδιες χώρες οι οποίες την δημιούργησαν. Ο τρόπος γραφής του βιβλίου ζωντανεύει ένα θεματικό πλέγμα ιστορίας, γεωγραφίας, δικαίου και χαρτογραφίας, καθιστώντας τα θέματα αυτά προσιτά στο ευρύ κοινό στο οποίο απευθύνεται, καθώς και σε πολιτικούς και διπλωμάτες.

Ο Μπαρούντι εργάζεται εδώ και τέσσερις δεκαετίες στον ενεργειακό τομέα. Ανάμεσα στις πολυεθνικές εταιρείες, κυβερνήσεις και διεθνείς θεσμούς που έχει συμβουλέψει στο διάστημα αυτό συγκαταλέγονται τα Ηνωμένα Έθνη, η Ευρωπαϊκή Επιτροπή, το Διεθνές Νομισματικό Ταμείο και η Παγκόσμια Τράπεζα. Οι εξειδικευμένες γνώσεις του βρίσκονται στους τομείς του πετρελαίου και φυσικού αερίου, τα πετροχημικά, τον ηλεκτρισμό, την ενεργειακή ασφάλεια και την μεταρρύθμιση του ενεργειακού τομέα για να αντιμετωπίσει περιβαλλοντικά ζητήματα, την αγορά του άνθρακα, τις ιδιωτικοποιήσεις, και τις υποδομές. Είναι Διευθύνων Σύμβουλος της ανεξάρτητης συμβουλευτικής εταιρείας Qatar Energy and Environment Holding, με έδρα την Ντόχα του Κατάρ.

Το βιβλίο αυτό είναι απόσταγμα πολυετούς προσωπικής έρευνας, ανάλυσης και υπεράσπισης θέσεων του Μπαρούντι. Την επιμέλεια του κειμένου ανέλαβε η Debra L. Cagan, (Distinguished Energy Fellow, Transatlantic Leadership Network) και ο Sasha Toperich (Senior Executive Vice President, Transatlantic Leadership Network).

Το βιβλίο *Διαφωνίες επί των θαλασσίων Συνόρων στην Ανατολική Μεσόγειο: Μια Πρόταση Επίλυσης* εκδίδεται από το Transatlantic

Leadership Network (TLN), μια ένωση δικηγόρων, παικτών του ιδιωτικού τομέα και αναλυτών οι οποίοι στοχεύουν στον διαρκή εκσυγχρονισμό των σχέσεων Ηνωμένων Πολιτειών και Ευρωπαϊκής Ένωσης. Η αρχική μορφή του βιβλίου ήταν ηλεκτρονική. Τώρα διανέμεται από τις Εκδόσεις του Ινστιτούτου Μπρούκινγκς, που ιδρύθηκαν το 1916 για την έκδοση ερευνών του Ινστιτούτου, το οποίο θεωρείται από πολλούς ως το πιο αξιосέβαστο ινστιτούτο έρευνας των ΗΠΑ.

Πολλοί εξειδικευμένοι παρατηρητές πλέκουν το εγκώμιο του βιβλίου. Παραθέτουμε λίγα αποσπάσματα:

Douglas Hengel, Professional Lecturer in Energy, Resources and Environment Program, Johns Hopkins University School of Advanced International Studies, Senior Fellow at German Marshall Fund of the United States, and former State Department official: “Μέσα από αυτό το στοχαστικό και γλαφυρό βιβλίο, ο Ρούντι Μπαρούντι μας δίνει ένα πλαίσιο... το οποίο μας δείχνει τον δρόμο προς μια δίκαιη και ειρηνική λύση... οι χώρες της περιοχής, καθώς και η Ευρωπαϊκή Ένωση και οι Ηνωμένες Πολιτείες, θα έπρεπε να ασπαστούν την προσέγγιση του Μπαρούντι.

Andrew Novo, Associate Professor of Strategic Studies, National Defense University: “... Ένα καλά ισορροπημένο, καινοτόμο και θετικό μήνυμα το οποίο μπορεί να βοηθήσει πολλά θέματα να προοδεύσουν που δεν φαίνονται να επιδέχονται επίλυση. Χρησιμοποιώντας το Διεθνές Δίκαιο, γεω-στοιχεία υψηλής ακρίβειας και μια ισχυρή οικονομική λογική, ο Μπαρούντι προσφέρει ένα πειστικό επιχειρήμα υπέρ ενός συμβιβασμού, εφόσον, φυσικά, οι εμπλεκόμενες πλευρές θέλουν να ακούσουν.”

New Book Shows Way to Peaceful Resolution of Maritime Border Disputes



Road Map Can Help Coastal Countries Tap Offshore Resources

WASHINGTON, D.C.: A new book by energy expert Roudi Baroudi highlights often overlooked mechanisms that could defuse tensions and help unlock billions of dollars' worth of oil and gas.

“Maritime Disputes in the Eastern Mediterranean: the Way Forward” – distributed by Brookings Institution Press – outlines the extensive legal and diplomatic framework available to countries looking to resolve contested borders at sea. In it, Baroudi reviews the emergence and (growing) influence of the United Nations Convention on the Law of the Sea (UNCLOS), whose rules and standards have become the basis for virtually all maritime negotiations and agreements. He also explains how recent advances in science and technology, in particular precision mapping, have expanded the impact of UNCLOS guidelines by taking the guesswork out of any dispute-resolution process based on them.

As the title suggests, much of the study centers on the

Eastern Mediterranean, where recent oil and gas discoveries have underlined the fact that most of the region's maritime boundaries remain unresolved. The resulting uncertainty not only slows development of the resources in question (and reinvestment of the proceeds to address poverty and other societal challenges), but also increases the risk of one or more shooting wars. Baroudi notes, however, that just as such problems and their consequences exist around the globe, so might their fair and equitable resolution in one region work to restore faith in multilateralism for peoples and their leaders in all regions.

Were the countries of the Eastern Mediterranean to agree under UNCLOS rules to settle their differences fairly and equitably, he writes, "it would give a chance to demonstrate that the post-World War II architecture of collective security remains not merely a viable approach but also a vital one ... It would show the entire world that no obstacles are so great, no enmity so ingrained, and no memories so bitter that they cannot be overcome by following the basic rules to which all UN member states have subscribed by joining it: the responsibility to settle disputes without violence or the threat thereof."

Baroudi's work offers both general and specific reminders that levers exist which can level the diplomatic playing field, a useful contribution at a time when the entire concept of multilateralism is under assault from some of the very capitals that once championed its creation. In addition, it is written in an engaging style that makes several disciplines – from history and geography to law and cartography – accessible and interesting to everyone from academics and policymakers to engineers and the general public.

Baroudi's background consists of more than four decades in the energy sector, during which time he has helped design policy for companies, governments, and multilateral institutions, including the United Nations, the European Commission, the

International Monetary Fund, and the World Bank. His areas of expertise range from oil and gas, petrochemicals, power, energy security, and energy-sector reform to environmental impacts and protections, carbon trading, privatization, and infrastructure. He currently serves as CEO of Energy and Environment Holding, an independent consultancy based in Doha, Qatar.

The book has been distilled from years of Baroudi's personal research, analysis, and advocacy, with editing by Debra L. Cagan (Distinguished Energy Fellow, Transatlantic Leadership Network) and Sasha Toperich (Senior Executive Vice President, Transatlantic Leadership Network).

"Maritime Disputes in the Eastern Mediterranean: the Way Forward" is published by the Transatlantic Leadership Network (TLN), an international association of practitioners, private sector leaders, and policy analysts working to ensure that US-EU relations keep pace with a rapidly globalizing world. Distribution has been entrusted to Brookings Institution Press, founded in 1916 as an outlet for research by scholars associated with the Brookings Institution, widely regarded as the most respected think-tank in the United States.

The TLN hosted a webinar on Thursday to launch the e-book version, with guests and participants joining via Zoom from cities around the world. Following introductory remarks by Cagan and former US Ambassador John B. Craig, a lively discussion took place with a panel featuring Baroudi and two very relevant representatives from the US State Department – Jonathan Moore (Principal Deputy Assistant Secretary, Bureau of Oceans and International Environmental and Scientific Affairs), Kurt Donnelly (Deputy Assistant Secretary for Energy Diplomacy, Bureau of Energy Resources) and Dr. Charles Ellinas (Senior Fellow with the Atlantic Council's Global Energy Center)

Prior to the launch event, the book had garnered advance

praise from key observers, including:

Douglas Hengel, Professional Lecturer in Energy, Resources and Environment Program, Johns Hopkins University School of Advanced International Studies, Senior Fellow at German Marshall Fund of the United States, and former State Department official: “In this thoughtful and well-argued book, Roudi Baroudi provides a framework ... guiding us down a path to an equitable and peaceful resolution ... The countries of the region, as well as the United States and the European Union, should embrace Baroudi’s approach ...”

Andrew Novo, Associate Professor of Strategic Studies, National Defense University: “... A balanced, innovative and positive message that can provide progress for a series of apparently insoluble problems. Using international law, highly detailed geo-data, and compelling economic logic, Baroudi makes a powerful case for compromise ... if only the opposing sides will listen.”

**Betting against Qatar's
Energy Sector Ignores a lot
of history**



By Roudi Baroudi

Some of the latest punditry has it that Qatar's economy is teetering on the brink of disaster because of the COVID-19 crisis, which has been steadily eroding demand for the country's most important export, natural gas. Obviously the situation is less than ideal, but much of the doom and gloom stems from a failure to appreciate just how well prepared the country is for all manner of obstacles.

Journalists and other observers have watched the market for crude oil collapse to the point where prices for some futures contracts recently went into negative territory – i.e. producers in some parts of North America actually had to pay customers to take oil off their hands. This, in turn, is causing a slew of US and Canadian oil companies, especially smaller ones, to stop extracting crude, and many are going bankrupt. Similar pressures will arise for gas producers, these folks argue, and since Qatar is the world's leading producer and exporter of liquefied natural gas (LNG), it will face the biggest problems.

To be sure, the global crisis caused by COVID-19 has subjected the entire world to some freakish pressures, including unprecedented drop-offs in demand for certain goods and services, among them several energy products previously soaked up by (now idled) planes, trains, and automobiles (not to

mention cruise ships, factories, hotels, etc.). Thus far the consequences for LNG have been less dramatic than those for crude oil, but nor can they be ignored, especially for developing countries whose economies and financial stability are heavily dependent on constant flows of gas revenues from exports.

For multiple reasons, however, Qatar has to be considered far more resilient than other major LNG producers. For one thing, it has much deeper pockets that give it considerable wherewithal to withstand even a prolonged period of lower gas revenues. For another, Qatar's energy interests go far beyond the extraction of its gas resources for export. It is now fully engaged at several points along the hydrocarbon value chain, and this in multiple countries, all of which provide diversification of revenues and therefore dilution of negative impacts. Perhaps most importantly, for almost three years now, the country has been fortifying itself against the effects of an illegal economic and transport blockade led by Saudi Arabia and followed by several other Gulf Cooperation Council (GCC) member states, plus Egypt and others. To say the least, Qatar has proved a tough nut to crack: in fact, the experience has made the whole country much more efficient, far more self-sufficient, and even more self-confident than ever before.

One of the drivers of this success has been government-owned Qatar Petroleum (QP), one of the strongest and most influential companies on the planet, and it has not got to this position by simply opening a spigot in the sand and then spending the proceeds. Instead, QP reached its current lofty status by, first, making its bet on LNG at precisely the right time in history, just as the environmental concerns associated with oil made natural gas a more palatable choice and the world's energy mix started transitioning to a higher proportion of renewables and other alternative technologies. Second, Qatar then used its role as the world's most important LNG exporter to become a force for stability in a burgeoning

global gas market, maintaining safe and reliable supplies that have allowed customers around the world to grow their economies.

Second, QP has not remained a one-trick pony. Instead, it and its subsidiaries have diversified with gusto – and not just in the usual sense of producing petrochemicals, aluminum, and fertilizers on their home turf. Rather, the company has reached far beyond Qatar, the GCC countries, and even the broader Middle East and North Africa region to make acquisitions around the globe. Acting alone or in concert with major partners like Britain's Shell, France's Total, Italy's ENI, and the USA's Chevron and ExxonMobil, the past couple of years have seen QP take up or renew stakes in exploration, production, and/or processing assets in at least a dozen countries, including Argentina, Brazil, Cyprus, Congo Brazzaville, Guyana, Ivory Coast, Kenya, Mexico, Morocco, Mozambique, Namibia, Oman, South Africa, and even the United Arab Emirates.

Perhaps the biggest play of the past few years has been in the United States, where QP's activities have included partnering with ExxonMobil (Qatar's single largest foreign investor) for a \$10 billion project to build a two-train LNG export facility adjacent to the existing Golden Pass import terminal in Texas. QP also added to its footprint in the USA by teaming with Chevron Phillips Chemical, a joint venture between Chevron and Phillips 66, to develop what could be the world's largest ethane cracker and derivatives units somewhere on the US Gulf Coast. QP will have a 49% stake in the \$8 billion complex, and Chevron Phillips Chemical has agreed to build virtual twin of it at Ras Laffan – hub of Qatar's gas industry.

Alongside its solid American investments, the company also continues to consolidate its access to existing markets in Europe and Asia, and to increase its capacity to supply those markets. It has recently signed long-term processing and/or

storage contracts at terminal facilities serving key LNG markets, including Montoir-de-Bretagne, France (3 million tons per annum [MTA] until 2035), and Zeebrugge, Belgium (100% of regasification capacity until 2044). In addition, QP subsidiaries hold stakes in major terminals like the United Kingdom's South Hook (67.5%) and Italy's offshore Adriatic facility (23%). In April, it signed a \$3 billion contract to book a Chinese shipbuilder for the construction of new LNG carriers, some 100 of which it expects to need in the coming few years.

All the while, QP has continued to rack up agreements with both new and existing customers, including LNG sales to Kuwait and Vietnam; naphta deals with Japan's Marubeni Corporation, Shell, Thailand Chemicals, and Vietnam; condensate feedstock sales to ExxonMobil in Singapore; and liquefied petroleum gas contracts with China's Oriental Energy and Wanhua Chemicals.

And all this is not to mention QP's massive undertaking to expand LNG output from 77 MTA to more than 110 MTA. When the COVID crisis hit, far from fretting the short- and medium-term obstacles, the company's response was to double down and take advantage of lower prices for construction materials by increasing capacity to a whopping 126 MTA by 2027.

It should be recalled, too, that QP has managed all of these feats while its home country has been fending off the aforementioned Saudi-led siege. Qatar's public and private sectors alike have demonstrated world-class resilience since the blockade was imposed in 2017, so there is no reason to believe they will shrink before this new challenge. On the contrary, Qatar is – and will remain – a trusted source of stabilization in global markets.

Whatever the temporary inconveniences caused by the pandemic, both Qatar and QP remain bullish on the future – and with good reason. They did not get to where they are by accident, rather by well-timed investments and a commitment to ensuring stable

markets for their customers. In fact, it could be fairly stated that Qatar and its flagship gas company created the modern global gas market, and they did so in such a way as to deliberately avoid much of the volatility associated with crude oil – for instance by eschewing the establishment of a cartel like OPEC. The current crisis could well require Qatar to make uncomfortable decisions, but its long-term trajectory – to keep expanding its role as a force for good in energy circles by providing win-win scenarios – is unlikely to be affected.

Roudi Baroudi is a four-decade veteran of the energy industry who currently serves as CEO of Energy and Environment Holding, an independent consultancy based in Doha.

US Must Lead Response To Perils Of COVID-19 And Oil Crisis



G20 should hold an emergency meeting to prepare a realistic agenda to tackle the economic crisis created by COVID-19

Roudi Baroudi – Doha

It took a global pandemic that has grounded airlines, idled factories, and kept billions of people indoors, but prices for some oil futures contracts have gone into negative territory for the first time ever.

Not since Colonel Drake struck oil – with commercially viable methods – in Pennsylvania in 1859 has a producer had to pay customers to take crude off their hands. Together, oil & gas still supply approximately 60 percent of the world's energy, and that is not to mention its myriad other uses in modern industry. So, what to do when a demand slump of unprecedented size & speed has brought so low the world's most ubiquitous commodity, one still required by so many people?

First, it is crucial to recall how we got here, specifically the fact that the COVID-19 crisis was not the only factor. Keep in mind that for weeks, the gathering collapse of demand coincided with a massive flow of oversupply as Russia and the Kingdom of Saudi Arabia refused to agree on production cuts, choosing instead to battle for market share going forward. Eventually, they will reach a new entente, but the effect of the virus had so destabilised the markets that even zero was no longer a floor in the minds of the investors.

Until COVID-19 shut down whole sectors the global economy, the world had been consuming approximately 100 million barrels of oil a day. By mid-April, that figure had dropped to something in the order of 80 million. The imbalance quickly filled up tank farms, and some analysts believe that as much as 160 million barrels of oil are currently being stored in tankers at sea but with nowhere to go. Airlines have slashed their schedules by 90 percent or more. Inevitably, oil-producing companies have had to shut down their wells, and dozens of refineries have had to suspend operations since they could no longer dispose of oil and related products.

There is no question that the heaviest damage has been sustained in the United States. The shale oil business had been so successful that the country had become the world's largest crude producer, managing not only to satisfy 90 percent of its own demand from domestic sources but also to compete with Russia and Saudi Arabia for customers overseas. The industry was always vulnerable, however, because of higher production costs, its producers were the first to fail.

Oil is unlike any other commodity in that a safe, affordable, and continuous supply of it is perhaps the single-most far-reaching factor of modern life for businesses, organisations, and almost 200 countries around the globe. Of course, renewables and other alternative sources have made great strides in recent years, and one or more of these technologies will be the future, but for now, and hydrocarbons and oil are

still the prime determinants of success or failure.

At the same time, the fact that this is having such a concentrated effect in the United States is a crisis because that country is a reliable bellwether for global economic health. Even as China's meteoric rise over the past decades has made it the world's second largest economy, with nominal GDP about \$14 trillion for 2019, the US economy remains far away the world's heftiest at about \$21 trillion. For this reason, when Americans stop buying, everywhere loses sales. And in just a few short weeks, more than 26 million of them have filed for unemployment benefits. Jobs are being shed in record numbers, meaning less capacity for anyone else to compensate for the evaporation of US demand for everything.

So how do we keep the of global epidemic and global oil glut from producing long-term damage that yields to even more human and economic losses? How do we get the world's most important economic engines – to get global commerce moving again? In a word, unity – of the sort that brings all humankind together for collective action. Even assuming that a vaccine is developed, the damage done to some of the world's most important economies will not be repaired overnight.

In short, recovery depends on sincere dialogue, full cooperation, and genuine transparency. We are all in this together now, so the best way out is to collaborate on an exit strategy that saves time, money, and human lives. The biggest responsibility falls on the biggest players, the US, China, and Russia, along with the European Union, Japan, and multilateral institutions. Going forward, each of these countries and entities will need to make commitments about what it will and will not do. Only then can the necessary confidence and stability be rebuilt around the world.

Exceptional challenges call for exceptional remedies. Already we have seen several global leaders pledge to work together on a vaccine, but the United States was notable by its absence.

For the broader purpose of steering a way out of the global economic morass, it is essential that Washington be present and accounted for. My suggestion is an emergency meeting of the G20 at the earliest, which probably means the first part of May. Not a moment should be wasted in preparing a realistic agenda that measures up to the enormity of the tasks at hand. To quote the quintessential American, Benjamin Franklin, "We must, indeed, all hang together, or most assuredly we shall all hang separately."

Roudi Baroudi is CEO of Energy and Environment Holding, an independent consultancy based in Qatar

QEWC shareholders approve board's dividend proposal



The first phase of the largest solar energy project in the

region in terms of size and capacity – Siraj (Solar PV Power Plant with a total capacity of 800MW) will be completed in April, 2021 at Al-Kharsaah

The ordinary general assembly of Qatar Electricity and Water Company (QEW) yesterday approved the recommendation of the board of directors to distribute cash dividends to shareholders for the fiscal year 2019, at 77.5% of the nominal value of the share.

HE the Minister of State for Energy Affairs and chairman of QEW's Board of Directors, Saad bin Sherida al-Kaabi said the electricity and water sector contributed to supporting the Qatari economy through "continuous co-ordination and co-operation" between the Qatar Electricity and Water Company and the Qatar General Electricity and Water Corp (Kahramaa).

The minister noted that QEW is keen to implement all necessary projects in accordance with the best specifications to keep pace with the country's needs. The focus is on raising the efficiency of the performance of its existing plants in line with local and international environmental standards.

He said QEW completed several projects during 2019, the most important of which was the 'Umm Al Houl Energy' project, which is currently operating at full capacity.

The first phase of the largest solar energy project in the region in terms of size and capacity – Siraj (Solar PV Power Plant with a total capacity of 800MW) will be completed in April, 2021 at Al-Kharsaah.

Al-Kaabi said Qatar General Electricity and Water Corp will purchase energy produced by Siraj. The project is an embodiment of Qatar's efforts to diversify energy sources and enhance the efficiency of renewable energy, which is an important element for a sustainable future for future generations, in line with Qatar National Vision 2030, launched and sponsored by His Highness the Amir, Sheikh Tamim bin Hamad al-Thani.

In order to diversify the sources of income through foreign

investments, Qatar Electricity and Water Company through Nebras Energy Company seeks to increase its investments in global markets by obtaining distinct rates in a number of energy projects outside the country.

In all, 14 such investments have been made in seven countries around the world.

And in terms of developing the human resources, QEWC works to enhance efforts to develop the national cadre, and increase the number of Qataris in the company and its subsidiaries.

He noted that in 2019, the company achieved a lower percentage of profits than previous years, due to some old stations ceasing operations and investing in building alternative stations.

QEWC had posted a net profit of QR1.41bn in 2019, down 8% on 2018. The earnings per share stood at QR1.29.

QEWC general manager and managing director Fahad Hamad al-Mohannadi spoke about the company's projects and future plans. He also spoke about QEWC's thrust on developing the Qatari workforce in the company and its subsidiaries.

It works in co-operation with accredited universities, institutes and training centres at home and abroad with the aim of developing and training Qatari employees.

Currently, the company's Qatarisation rate stood at 24%.

Al-Mohannadi highlighted QEWC's focus on safety in its operations and said it clocked very high rating in this respect.

**QP affiliate books 3mn tpy
throughput capacity in**

France's LNG terminal



Under the agreement, Qatar Terminal Limited (QTL) – a subsidiary of Qatar Petroleum – will subscribe to the equivalent of almost 3mn tonnes per year (tpy) of the terminal's throughput capacity for the next 15 years.

An affiliate of Qatar Petroleum and the French LNG terminal operator Elengy, a subsidiary of ENGIE Group, have entered into a long-term agreement for LNG receiving, storage and regasification services at the Montoir-de-Bretagne LNG Terminal in France.

Under the agreement, Qatar Terminal Limited (QTL) – a subsidiary of QP – will subscribe to the equivalent of almost 3mn tonnes per year (tpy) of the terminal's throughput capacity for a term up to 2035.

Montoir-de-Bretagne LNG will thereby become a new LNG import terminal position for QP in Europe, facilitating the supply of Qatari and internationally sourced LNG to French and European customers.

The agreement is the result of a formal "Open Subscription Period" process that was concluded during the second half of 2019 pursuant to the rules of the French Energy Regulatory Commission (CRE).

The agreement was signed at a ceremony held in Paris on Thursday by HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi, also the president and CEO of QP, and Sandra Roche-Vu Quang, CEO, Elengy, in the presence of Jean-

Baptiste Lemoyne, France's Minister of State attached to the Minister for Europe and Foreign Affairs.

At the signing ceremony, al-Kaabi said, "By signing this agreement, we are providing France, and Europe as a whole, reliable energy supplies, as well as increased utilisation of gas as a cleaner and more environmentally friendly source of energy.

"We are also taking another step into the future by establishing a long-term partnership with Elengy well into the next decade. And, we look forward to further strengthen this relationship in the future."

Al-Kaabi also highlighted the strong Qatari-French partnerships in general and especially in the energy sector, as well as QP's commitment to Europe's energy security.

"Qatar Petroleum has long invested in and anchored LNG receiving terminal capacity in Europe. We have also played a key role in supporting the development of vital energy network infrastructure in Europe. As the largest LNG producer, we are committed to supporting the advancement of EU energy policy and to strengthening the security, reliability and flexibility of gas supplies into Europe," al-Kaabi noted.

Roche-Vu Quang said, "Today is a key milestone for Elengy. As pioneers in the LNG industry, we are extremely proud of this agreement with our Qatari partners, a major step which hopefully will result in an even closer co-operation in the coming years. This contract secures long-term activity at the Montoir-de-Bretagne terminal.

"Our LNG hub for North West Europe offers customers optimum flexibility and an evolving range of services, from historical LNG regasification to small scale LNG, to meet the energy transition needs."

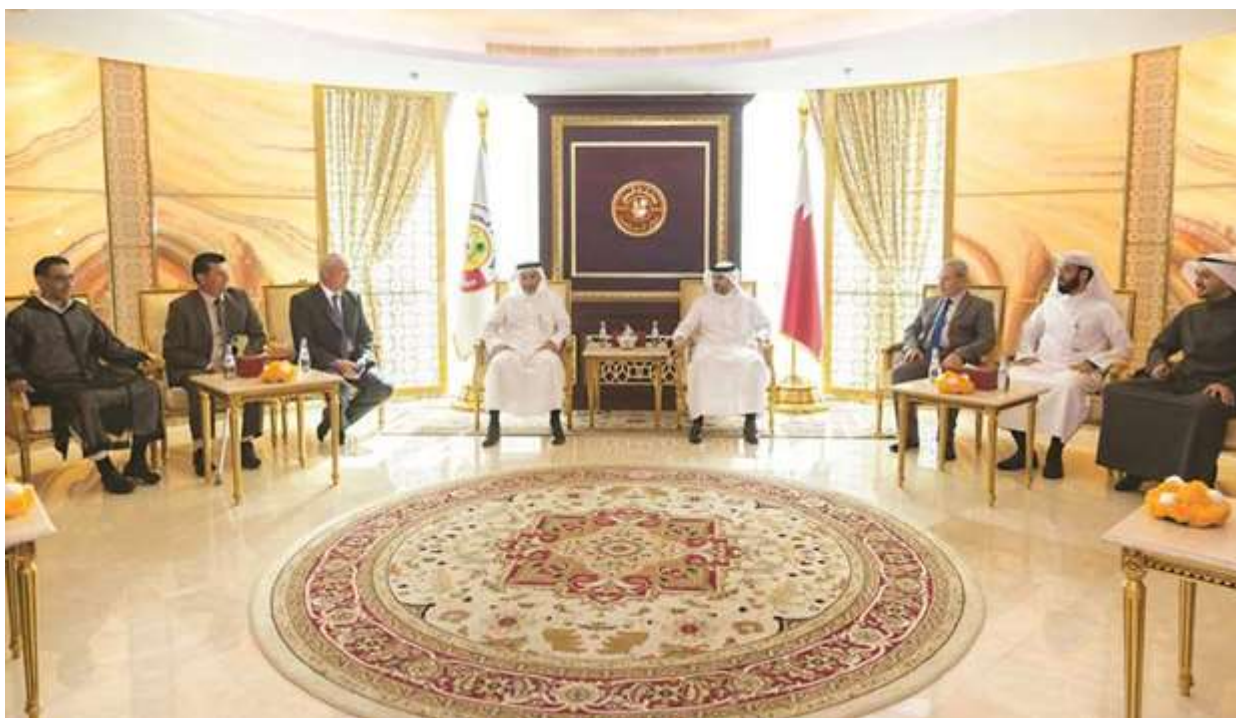
Located on France's Atlantic coast, the Montoir-de-Bretagne

LNG Terminal was commissioned in 1980 and is fully regulated by the CRE. The terminal currently has 360,000 cubic metres of LNG storage capacity spread across three tanks and an annual throughput capacity of 10bn cubic meters of natural gas.

The terminal is operated by Elengy, which has over 50 years of LNG experience and operates two other terminals in France- Fos Tonkin and Fos Cavaou on the Mediterranean coast.

The ceremony was attended among others by senior executives from QP and Elengy.

Audit Bureau chief meets Arabosai's panel members



QNA /Doha

HE the President of the State Audit Bureau Sheikh Bandar bin Mohamed bin Saoud al-Thani met the members of the delegations

participating in the 14th meeting of the Professional and Audit Standards Committee of the Arab Organisation of Supreme Audit Institutions (Arabosai), which is hosted by the State Audit Bureau.

Representatives of the supreme audit bureaus that are members of the committee in Kuwait, Oman, Morocco, Tunisia, Palestine, Iraq, and Jordan, in addition to the representative of the Arabosai secretary-general, attended the meeting.

The State Audit Bureau holds the presidency of the Executive Council of Arabosai for 2019-2022. It also chairs the Professional and Audit Standards Committee, which is among the technical committees of the organisation that works to enhance the capabilities of Arabosai members in applying professional standards by keeping abreast of periodic updates to the standards, preparing research and related studies, and proposing training activities and initiatives aimed at improving the level of commitment to the requirements of professional standards in the implementation of oversight work, which enhances the credibility of regulatory reports issued by the audit institutions.