

Lebanon sets starting point for sea border negotiations with Israel



BEIRUT (Reuters) – President Michel Aoun on Thursday specified Lebanon's starting point for demarcating its sea border with Israel under U.S.-mediated talks, in the first public confirmation of a stance sources say increases the size of the disputed area.

Israel and Lebanon launched the negotiations last month with delegations from the long-time foes convening at a U.N. base to try to agree on the border that has held up hydrocarbon exploration in the potentially gas-rich area.

A presidency statement said Aoun instructed the Lebanese team that the demarcation line should start from the land point of Ras Naqoura as defined under a 1923 agreement and extend seaward in a trajectory that a security source said extends

the disputed area to some 2,300 square km (888 sq miles) from around 860 sq km.

Israel's energy minister, overseeing the talks with Lebanon, said Lebanon had now changed its position seven times and was contradicting its own assertions.

"Whoever wants prosperity in our region and seeks to safely develop natural resources must adhere to the principle of stability and settle the dispute along the lines that were submitted by Israel and Lebanon at the United Nations," Yuval Steinitz said.

Any deviation, Steinitz said, would lead to a "dead end".

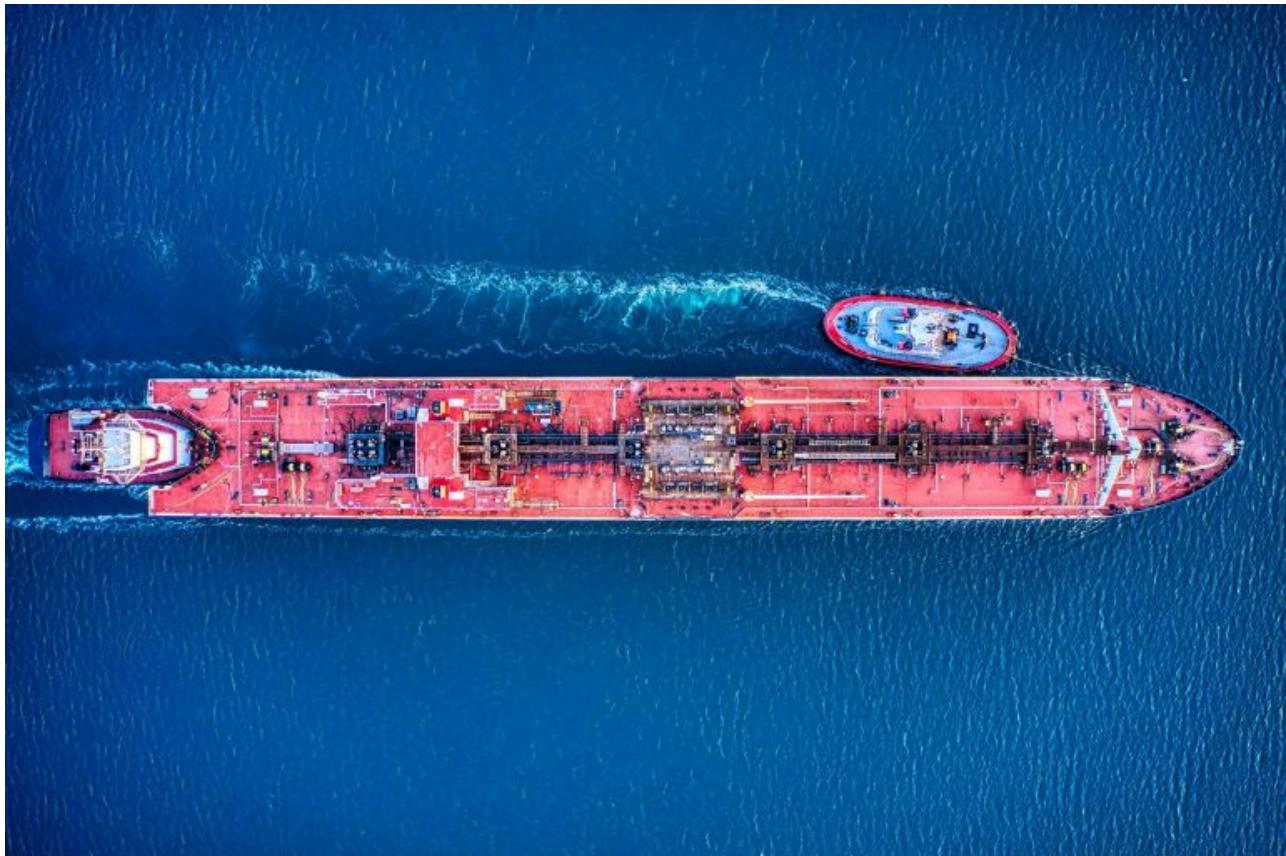
Last month sources said the two sides presented contrasting maps for proposed borders. They said the Lebanese proposal extended farther south than the border Lebanon had years before presented to the United Nations and that of the Israeli team pushed the boundary farther north than Israel's original position.

The talks, the culmination of three years of diplomacy by Washington, are due to resume in December.

Israel pumps gas from huge offshore fields but Lebanon, which has yet to find commercial gas reserves in its own waters, is desperate for cash from foreign donors as it faces the worst economic crisis since its 1975-1990 civil war.

Additional reporting by Ari Rabinovitch in Jerusalem; Writing by Ghaida Ghantous; Editing by Janet Lawrence

Nakilat completes second phase of fleet management transition



Qatar-based shipping and maritime company Nakilat has completed the second phase of its fleet management transition from Shell International Trading and Shipping Company.

A total of seven liquefied natural gas (LNG) carriers transitioned to its in-house operational and technical management.

During the second phase transition, Q-Max LNG carrier Lijmiliya was the last vessel to transition from Shell to Nakilat Shipping Qatar Limited (NSQL) on 27 October.

Currently, the fleet size fully managed by NSQL stands at 26 vessels with 22 LNG vessels and four liquefied petroleum gas (LPG) carriers.

Over the past several years, Nakilat has been working closely with its long-term partner Shell for a smooth transition of vessel management.

Nakilat CEO Abdullah Fadhalah Al Sulaiti said: "This milestone achieved in a safe and timely manner, despite the challenges presented by the global pandemic, is especially meaningful and demonstrates our strong commitment to safety, reliability, and efficiency through the provision of quality shipping and maritime services."

Al Sulaiti continued: "Over the past years, Nakilat has grown in leaps and bounds with the steady expansion of its LNG fleet, which is the largest in the world. The management of our vessels centrally controlled from Qatar allows us to further capitalise on existing synergies with our main charterer (Qatargas), realise operational efficiencies, and optimise costs. I would also like to express our gratitude to Qatargas for their cooperation and the continuous support provided throughout our long-term strategic partnership and the entire vessel transition phases.

"We strive to steer forward through tactfully formulated strategies, seizing potential long-term growth opportunities, strengthening ship management capabilities, and enhancing operational excellence in our vision to be a global leader and provider of choice for energy transportation and maritime services."

Phase one of the fleet management transition, involving ten LNG carriers, began in 2016 and was completed in August 2017.

In a separate development, 11 projects were inaugurated in Iran's Anzali Port in the Caspian Sea.

Among the projects inaugurated, there is a grain depot with 50,000t capacity and a general cargo warehouse with an area of 4,509m².

Qatar gas delivers first LNG cargo on Q-Max vessel to Tianjin Terminal in China.



Qatargas Operating Company Limited (Qatargas) announced today the delivery of the first cargo of liquefied natural gas (LNG) on a Q-Max LNG carrier to the Tianjin LNG Receiving Terminal in China.

The cargo aboard the Qatargas-chartered LNG vessel, 'Al Mafyar,' was loaded at Ras Laffan on 21 October 2020 and delivered to the Tianjin Terminal, located in the northern port city of Tianjin, near Beijing, on 10th November 2020.

This is the first cargo discharge operation by Qatargas to this LNG terminal involving a Q-Max LNG carrier. The Q-Max is the largest LNG vessel class in the world and has the ability to deliver 266,000 cubic metres of LNG.

The Tianjin LNG Receiving Terminal is owned and operated by the China Petroleum & Chemical Corporation (Sinopec), one of China's largest state-owned enterprises. The terminal has a capacity of six million tonnes per annum (MTPA) and is currently being expanded to handle up to 10.8 MTPA by 2022. The Tianjin LNG receiving terminal received its first LNG cargo in February 2018 and has received more than 200 LNG cargoes so far.

Currently China has a total of 22 LNG receiving terminals (including 3 small scale terminals), 11 of which can accommodate Q-Max LNG vessels. Qatargas has to date delivered LNG cargoes to 13 LNG terminals in China. Ever since the first LNG cargo was delivered to China in September 2009, more than 62 million tonnes of LNG was delivered to China in total.

Al Mafyar is the first Q-Max LNG vessel to call at the Tianjin LNG receiving terminal and the 100th LNG vessel to call at the terminal in 2020.

Source: Qatargas

Mediterranean crisis calls for ‘civilized solution’, energy expert tells EU-Arab

gathering



5th EU-Arab World Summit
A Strategic Partnership



'Do we want the benefits of our own rightful shares more than we want to deny the same benefits to our neighbors?'

ATHENS, Greece: The latest legal and technological tools can resolve rival claims in the Mediterranean without anyone firing a shot, a veteran of the region's energy industry told a conference in Athens on Monday.

"We have both the legal mechanisms and the high-precision mapping technologies to draw up fair and equitable boundaries at sea," Roudi Baroudi said in a speech to the 5th European Union Arab World Summit. "That means that countries in the Mediterranean region can settle their differences amicably, setting aside the costly and ultimately self-defeating ways of war."

Appearing via Zoom from Doha, Qatar, Baroudi said the region had a long history of spawning great civilizations, but that each of these had squandered their good fortune by make war on their neighbors.

Thanks to huge deposits of natural gas having been found beneath the Mediterranean, he noted, “the region faces another crossroads”, largely because “the vast majority of maritime boundaries in the Mediterranean remain unresolved.” With neighboring states laying claim to the same undersea real estate, Baroudi said the resulting “patchwork of claims and counter-claims” only served to hamper all parties by jeopardizing their respective offshore oil and gas activities.

With more than four decades in the business – including significant experience in both the public and private sectors – Baroudi has become a leading proponent of the East Med’s emergence as a major energy producer. Having long argued that safe and responsible exploitation of the resource in question would allow regional countries to make historic gains, both at home and abroad, his most recent interventions have focused on how to draw fair and equitable boundaries at sea. In fact, his book “*Maritime Disputes in the Eastern Mediterranean: The Way Forward*” is widely regarded as the most authoritative guide to the current situation.

Currently serving as CEO of Energy and Environment Holding, an independent consultancy based in Doha, Baroudi said all parties need to be honest with themselves by answering single question: “do we want the benefits of our own rightful shares more than we want to deny the same benefits to our neighbors?”

Those that want to focus on getting their share, he argued, need to put their faith in the United Nations Convention on the Law of the Sea.

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

*He also is the author of “*Maritime Disputes in the Eastern Mediterranean: the Way Forward*”, published earlier this year by the Transatlantic Leadership Network and distributed by the Brookings Institution Press.*

Doha and New Delhi should explore possibilities of a natural gas pipeline: Official



Doha and New Delhi should explore possibilities of a natural gas pipeline and Qatar could be India's "strategic food reserve"; according to Suresh Prabhu, India's Sherpa to the G20 and a former Commerce Minister.

"One area that needs to be refocused is how to get natural gas into India through the pipeline (from Qatar)," Prabhu told a webinar hosted by Doha Bank.

Highlighting that the efforts should be to explore ways in a manner that is beneficial to both the countries; he said there should be negotiations in price in such a way that it could meet the energy requirement; while not affecting Qatar's coffers too much.

Prabhu's call regarding this comes in the wake of India's ambitious programme to reduce greenhouse gas emissions.

India currently has almost two-third of its electricity generation from thermal, and gas addition can reduce the coal output and will lead to lower emissions, he said, adding sourcing more natural gas from Qatar to India will be a win-win for both the countries.

Highlighting that Qatar and India can work bilaterally on food security, he said just as India's energy security is important, food security of the Gulf is far more important.

"India could create a hub in Qatar so that we can have strategic food reserves in Qatar. We can have meat, dairy, marine, agri and horticulture products exported to Qatar and make it strategic reserves," he said, reasoning this made sense in a time that has seen disruptions to trade and supply chain.

Suggesting that Qatar look at India's pharmaceutical sector, the investments in molecules would have far higher returns than those from the US treasury papers, where interest rate is near zero.

"The investment in pharmaceutical sector can be a game changer," Prabhu said.

Atul Punj, chairman, Confederation of Indian Industry National Committee on Construction and chairman, Punj Lloyd; said construction industry accounts for 40% to 50% of India's capital spend.

In order to attract Qatari capital, India needs to set up a contract regime which is universal in nature and time-bound dispute resolution, whereas for the Indian companies to participate in Qatar's construction it has to have best in class services, supply of labour and manpower, he said.

In the infrastructure sector, high end real estate development and affordable housing are the key areas where Qatar can invest in India.

Chandrakant Salunkhe, founder and president SME (small and medium enterprises) Chamber of India, said Indian SMEs and Doha Bank work together to establish their presence which makes them competitive.

In this regard, Doha Bank chief executive Dr R Seetharaman said together they can explore mezzanine financing and partially guaranteeing debt.

Barzan project, North Field expansion to boost Qatar's growth: Lloyds Ban



The expected commissioning of Barzan natural gas facility could support domestic gas production and contribute positively to Qatar's growth, Lloyds Bank has said in an overview.

In the medium term, the expansion of North Field gas projects is expected to be completed by 2024, further boosting gas output, it said.

Qatar has been implementing an economic diversification programme to lower its dependency on the hydrocarbon sector, and in December 2018 the country announced it would leave Opec (Organisation of the Petroleum Exporting Countries) in January 2019 to focus its efforts on natural gas.

New projects are planned in infrastructure and telecommunications, and various construction projects are in progress in preparation for the World Cup in 2022. Inflation was estimated to have fallen to -0.6% last year from 0.2% in 2018, Lloyds Bank said.

IMF estimated inflation to decrease to -1.2% in 2020 and increase to 2.4% in 2021 in its latest World Economic Outlook of April 2020; indeed, Qatar has postponed plans to introduce a VAT to 2021 the earliest, suggesting inflation will continue to remain weak this year.

Qatar's economy started to grow faster after the first quarter of 2019 as government spending rose, particularly with regards to wages in the public sector. This helped boost the economy later in the year, which had showed signs of a slowdown as most major infrastructure and construction projects in relation to the World Cup came to completion, it said.

Nonetheless, general government debt was also estimated to have grown to 53.2% of GDP in 2019, from 48.6% a year earlier, as the country continued to borrow in international markets.

The International Monetary Fund anticipates a debt reduction in the coming years, 48% in 2020 and 43.1% in 2021. Current account surplus narrowed to 2.4% of GDP in 2019 from 8.7% a year earlier as global energy prices fell.

However, the IMF expects this trend to be heavily affected by the negative economic impact of the Covid-19 pandemic and the fall in oil prices. The current account balance should be negative in 2020 and 2021 (-1.9% and -1.8%, respectively), Lloyds Bank said.

Qatar is the world's leading exporter of liquefied natural gas and holds the third largest gas reserves in the world (estimated at 16% of the global total). The country's economy is thus heavily concentrated in the gas industry, which represents two-thirds of its GDP and almost 80% of export

earnings.

Like other Gulf countries, Qatar has been hit by the global decline in oil prices since 2014.

“However, the economic results have been better than that of its neighbours, due to successful economic diversification, namely via the development of large-scale projects,” Lloyds Bank said.

Qatar, Australia frontrunners in global LNG exports: IGU



Qatar retained the top LNG export spot in 2019 but its share in the global supply market is now “tied” with Australia, International Gas Union (IGU) has said in a report.

In its latest ‘Global Gas Report 2020’ released recently, IGU noted Qatar and Iran remain “supply growth engines” for the Middle East, but it is Iraqi gas production that is expected to see the largest increase, at 12.1% per annum from a low

base.

After growing by more than 2% in 2019, global gas use is set to fall by around 4% in 2020, as the Covid-19 pandemic reduces energy consumption across the global economies, IGU said.

However, the resulting low gas prices, as well as “clean” air and climate policies, will “promote” further switching to gas from other more polluting energy sources, such as oil and coal.

This trend was already underway before the pandemic, thanks to cost-competitive gas in key sectors including power, industry and transport, and major regions including Europe, North America and Asia.

The Global Gas Report 2020, published by the International Gas Union, research company BloombergNEF (BNEF) and Snam, the Italian-headquartered international gas infrastructure company reviews key global gas industry developments over the last year, provides a high-level outlook for future gas market developments, and examines the potential of hydrogen as a clean fuel to help meet climate goals.

The report shows that medium-term growth will come from increasing cost-competitiveness and increased global access to gas.

A particular growth opportunity exists in liquefied natural gas. LNG imports reached 482bn cubic meters in 2019, up 13% from 2018, and while this figure is expected to fall by around 4.2% in 2020, it could rebound quickly to previous levels as soon as 2021, depending on the persistence and longevity of the pandemic.

Ample natural gas resources exist to support demand growth, but greater gas infrastructure development is needed to support growth in the medium term.

The report said India is planning to almost double the length of its gas transmission grid, while China will grow its gas network about 60% by 2025.

Ashish Sethia, global head (commodities) at BNEF, commented: “The pandemic has created disruption in the global energy sector, but low gas prices will ultimately stimulate demand growth as the economy recovers. We have already seen unprecedented coal-to-gas switching in Europe, and clean air policies in major growth markets such as India and China will drive more gas adoption in the next few years.”

Joe Kang, president, IGU, said: “This pandemic crisis comes at great cost to the industry, the economy and society at large. It also reminded the world about the value of clean air and healthy environment for wellbeing, providing a unique opportunity to rebuild better.

“Gas is an abundant, clean, accessible and flexible substitute to more polluting energy sources, and supporting greater fuel switching from coal and oil to gas in the immediate term, while ensuring infrastructure is ready to accommodate progressively greater scale of clean gas technologies in the coming decade, is the way to secure a sustainable and prosperous future.”

In the longer term, there are major opportunities to scale up the use of low-carbon gas technologies, but these depend on substantial policy action and infrastructure investment in the coming years.

Clean hydrogen could abate up to 37% of energy-related greenhouse gas emissions, according to BNEF estimates. However, this would require a range of meaningful steps, including emissions pricing linked to clear, Paris-aligned long-term climate targets; harmonised standards governing hydrogen use; coordinated strategies regarding regional and global infrastructure roll-out, and the deployment of hydrogen-ready equipment, such as pipelines, gas turbines and end-use appliances.

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.

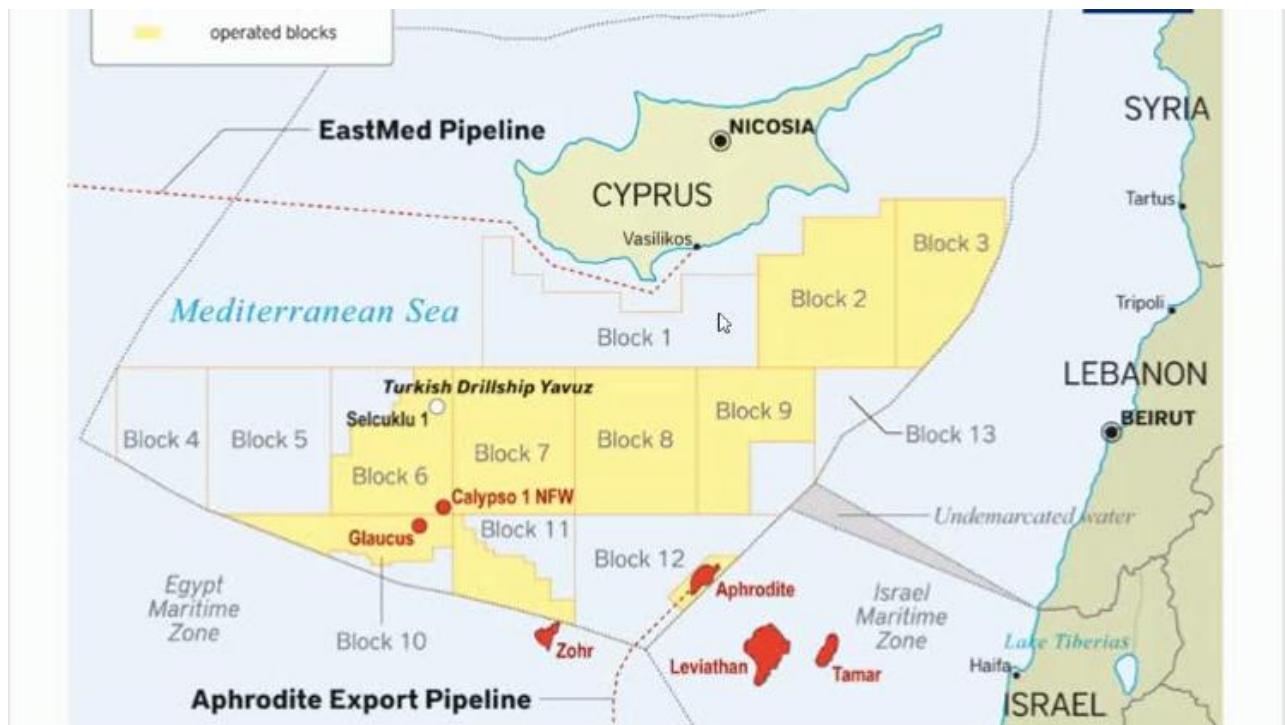
The previous LNG expansion phase in 2007-2011 provided “significant opportunities” for firms across many sectors involved directly in the project implementation or indirectly providing services.

“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.