

New QFC member set to become global portfolio manager of spot LNG



A Qatar Financial Centre (QFC) newcomer will establish its position as a global portfolio manager of spot LNG, or liquefied natural gas trades that will have immediate local knock-on effects, after Doha expands its LNG production from the present 110mn tonnes per annum.

This outcome is one among the “unsung” economic benefits that will follow North Field Expansion (NFE), which is also set to enhance the prospects of asset management industry in the country, the QFC said in an article.

The NFE project will not only bring up natural gas from underground, but also other valuable hydrocarbons for export and domestic use, it said, pointing out that associated hydrocarbons destined for export include 260,000 barrels per day of condensate and 11,000t/d of liquefied petroleum gas, valued at roughly \$3.05bn annually (using posted 2020 average prices).

“The additional income earned through hydrocarbon exports will

increasingly make Qatar a destination for asset managers and other financial institutions,” the QFC said. As imports of construction inputs and machinery wane with most infrastructure projects coming close to completion, Qatar’s trade surplus is likely to register bigger in the years ahead. “Once NFE-related exports commence in late 2025, export earnings are destined to reach still higher. Whereas much of the immediate proceeds are destined to the Ministry of Finance and Qatar Investment Authority, there is a progressively stronger case for specialised asset managers to locate in Doha close to their future investors,” QFC said.

In tandem, it said, financial institutions in the country will increasingly be called upon to provide a variety of sophisticated products to Qatari firms with a growing international footprint.

As Qatar’s economy continues to grow at home in terms of complexity, and abroad with its varied connections, the financial sector is set to grow substantially.

As Qatar looks ahead, it is destined to leverage its natural gas-focused competitive cost advantages, global network, existing industrial base, innovative focus and high-profile investments to become an attractive and rewarding business destination.

The QFC plays a key part of the country’s development journey, which it looks forward to supporting with vigour and indirectly offering firms on its platform noteworthy prospects.

The first certain phase concerns the North Field East that comprises an approximate \$28.75bn of investments – half of which has received a final investment decision as of February 2021.

Beyond that, Qatar Petroleum, or QP, is appraising different areas of the North Field to possibly award a subsequent expansion phase within the next three years.

The QP has made this NFE investment at an opportune time, which will allow it to capture more global LNG market share and gain footholds in new markets as many competitors pull

back from major projects, according to the QFC article. Another “unsung” benefit is the North field’s expansion would drive local manufacturing opportunities. Additionally, there will be 4,000t/y of ethane for use as feedstock in Qatar’s growing petrochemicals sector. This hike equates to nearly 50% of existing 2020 export capacity, or 36.4% of current domestic base quantities.

A combination of these NFE ethane volumes and those from Barzan enables Qatar to produce in future a greater variety as well as more complex petrochemicals, such as those that will originate from the joint venture with Chevron Phillips (70% owned by QP) using the Middle East’s largest 1.9mn t/y ethane cracker in Ras Laffan to start production in 2025.

This is critical to the local economy, according to Gulf Petrochemicals and Chemicals Association, which recently outlined that with oil at \$65 a barrel, crude producers can earn \$15 per barrel by refining their output and an extra \$30 a barrel on top of that by converting it into petrochemicals.

“As Qatar continues its drive to diversify economically, local manufacturing will play a key role,” the QFC article said.

Qatari ministries to hold joint press conference at 9pm on Wednesday



وزارة التجارة والصناعة
Ministry of Commerce and Industry

Doha

The Ministry of Public Health (MoPH), Ministry of Interior and Ministry of Commerce and Industry will hold a joint press conference at 9pm on Wednesday during the 'Social Distance' programme, Qatar Television announced on Tuesday through a tweet.

The press conference comes in the wake of a sharp increase in Covid-19 cases in Qatar and calls by the authorities concerned to follow precautionary measures to prevent a second wave of the virus.

Last week, senior health officials addressed a press conference on the rise in new Covid-19 cases and hospitalisations. They urged the public to comply with the measures laid down by the MoPH in this regard.

النزاعات البحرية في شرق المتوسط... يوضح طريق الحل السلمي للخلافات الحدودية

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كتاب جديد أصدره الخبير في سياسة الطاقة رودي بارودي يحمل عنوان "النزاعات البحرية في شرق البحر الأبيض المتوسط: الطريق إلى الأمام" Maritime Disputes in the Eastern Mediterranean: the Way Forward (مطبوعة معهد بروكينغز)، يسلط الضوء على آليات عملية غالباً ما يتم تجاهلها ويمكنها أن تنزع فتيل التوترات وتساعد في إطلاق عملية التنقيب عن النفط والغاز بقيمة مليارات الدولارات. تحدد الآليات الإطار القانوني والديبلوماسي الواسع المتاح للبلدان التي تتطلع إلى حل الحدود المتنازع عليها في البحر قانونياً أو

حياً . يستعرض بارودي في الكتاب ظهور "اتفاقية الأمم المتحدة لقانون البحار" وتأثيرها المتزايد، والتي أصبحت قواعدها ومعاييرها أساساً لجميع المفاوضات والاتفاقات البحرية تقريباً. ويشرح الكتاب أيضاً كيف أن التقدم الذي أحرز أخيراً في مجال العلم والتكنولوجيا، ولا سيما رسم الخرائط الدقيقة، قد وسّع نطاق المبادئ التوجيهية لاتفاقية الأمم المتحدة لقانون البحار لاجتاد تسوية للمنازعات التي تستند إليها. وكما يشير العنوان، فإن النقاش في شرق البحر الأبيض المتوسط يدور حول الحدود البحرية للمنطقة والتي لا تزال من دون حل، علماً أن الاكتشافات الأخيرة أكدت وجود كميات كبيرة من النفط والغاز، ما قد يؤدي ليس فقط إلى إبطاء تنمية الموارد المعنية (وإعادة استثمار العائدات للتصدي للفقر والتحديات الاجتماعية الأخرى)، بل يزيد خطر وقوع حرب أو أكثر. ومع ذلك، يلاحظ بارودي أن الحل العادل والمنصف قد يعمل على استعادة الثقة بين شعوب المنطقة. فإذا وافقت بلدان شرق المتوسط بموجب قواعد اتفاقية الأمم المتحدة لقانون البحار على تسوية خلافاتها بشكل عادل ومنصف، فإن "من شأن ذلك أن يعطي فرصة لإثبات أن هيكل الأمن الجماعي في فترة ما بعد الحرب العالمية الثانية لا يزال ليس فقط نهجاً قابلاً للتطبيق ولكن أيضاً نهجاً حيوياً... ومن شأن ذلك أن يظهر للعالم بأسره أنه لا توجد عقبات كبيرة جداً، ولا عداوة متأصلة، ولا ذكريات مريرة بحيث يمكن التغلب عليها باتباع القواعد الأساسية التي انضمت إليها جميع الدول الأعضاء في الأمم المتحدة، وهي: تسوية النزاعات من دون عنف أو التهديد به".

ويقدم الكتاب أفكاراً عامة ومحددة عن الأدوات التي يمكن اعتمادها في المجال الدبلوماسي، وهي مساهمة مفيدة في وقت يتعرض مفهوم تعددية الأطراف برمته للاعتداء من بعض البلدان التي دافعت في ما مضى عن إنشائها. إضافة إلى ذلك، فإن أسلوب المؤلف الجذاب يجعل الكتاب في متناول جميع الاختصاصيين - علماء التاريخ والجغرافيا، إلى القانونيين ورسم الخرائط - ومثيراً لاهتمام الأكاديميين وصنّاع السياسات والمهندسين والقراء. تتكون خلفية الكاتب بارودي من أربعة عقود في قطاع الطاقة، ساعد خلالها في تصميم السياسات للشركات والحكومات والمؤسسات المتعددة الأطراف، بما في ذلك الأمم المتحدة والمفوضية الأوروبية وصندوق النقد الدولي والبنك الدولي. وتراوح مجالات خبرته ما بين النفط والغاز والبتروكيماويات والطاقة وأمن الطاقة وإصلاح قطاع الطاقة إلى الآثار البيئية والحماية وتجارة الكربون والخصخصة والبنية التحتية. يشغل حالياً منصب الرئيس التنفيذي لشركة الطاقة والبيئة القابضة، وهي شركة استشارية مستقلة مقرها الدوحة، قطر. وتم العمل على الكتاب خلال سنوات من البحث الشخصي لبارودي، مع تحرير ديبورا ل. كاغان (زميل الطاقة المتميزة، شبكة القيادة عبر الأطلسي) وساشا توبيرس (نايبة الرئيس التنفيذي الأول، شبكة القيادة عبر الأطلسي). وتنشر شبكة القيادة عبر الأطلسي، وهي رابطة دولية تضم الممارسين وقادة القطاع

الخاص ومحلي السياسات الذين يعملون على ضمان مواكبة العلاقات بين الولايات المتحدة والاتحاد الأوروبي في عالم سريع العولمة، "النزاعات البحرية في شرق البحر الأبيض المتوسط: الطريق إلى الأمام"، والذي كان متحدثًا في الأصل ككتاب إلكتروني، من قبل مطبعة مؤسسة بروكينغز، التي تأسست عام 1916 كدار نشر للأبحاث من قبل العلماء المرتبطين بمعهد بروكينغز، الذي يُنظر إليه على نطاق واسع أنه من أكثر مراكز الفكر احترامًا في الولايات المتحدة.

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".

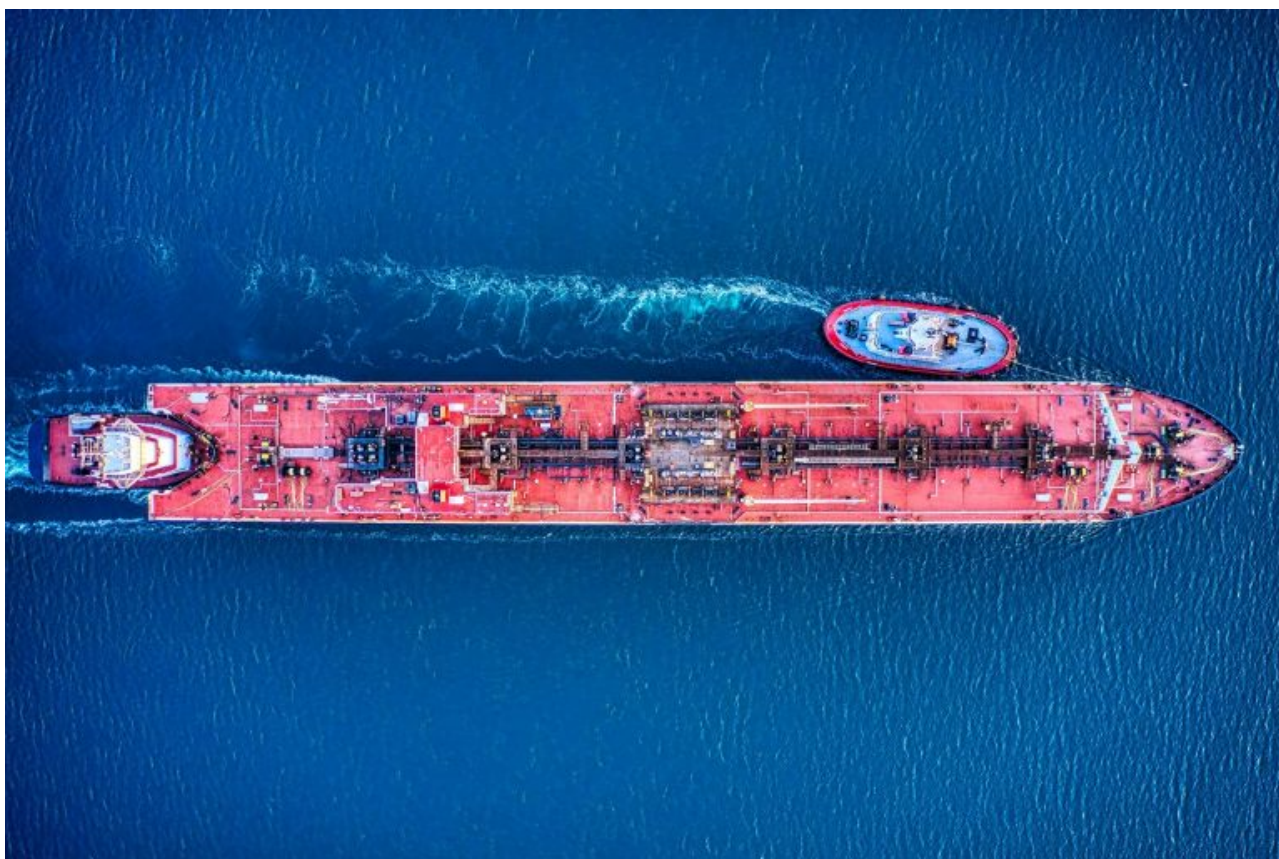
Last month sources said the two sides presented contrasting maps for proposed borders. They said the Lebanese proposal extended farther south than the border Lebanon had years before presented to the United Nations and that of the Israeli team pushed the boundary farther north than Israel's original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



'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 making 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 Bank



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.