

# Palestinian Authority 'ready to sign maritime exclusive economic zone deal with Turkey'



A pact with Palestine could strengthen Turkish oil and gas claims in the Mediterranean

The Palestinian Authority (PA) is ready to negotiate a maritime delimitation deal with Turkey and cooperate with Ankara on natural resources in the eastern Mediterranean, a PA envoy told Turkish media on Monday.

Faed Mustafa, Palestine's ambassador to Ankara, said in an interview that the PA could follow Turkey's maritime delimitation deal with Libya and sign its own pact.

“We are open for every idea to deepen our relations with Turkey, and this includes a deal on exclusive economic zones,” Mustafa told the Aydinlik newspaper.

“We also have rights in the Mediterranean. Palestine has shares in oil and gas located in the eastern Mediterranean. We are ready to cooperate in these areas and sign a deal.”

With the Gaza Strip, the Palestinian territories have a coastline along the eastern Mediterranean that makes it eligible for maritime rights. Since 2007, Gaza has been ruled by the Hamas movement, which has fractious relations with the Fatah-dominated, West Bank-based PA.

Mustafa said Israel had been restricting Palestinian efforts to conduct exploration and drilling activities in the Gaza Marine gas field, which was discovered in 1999 approximately 30km off the besieged coastal enclave’s shore.

With Israel and Egypt keeping Gaza under strict blockade, and conflicts and flare-ups common, the field, which is estimated to contain one trillion cubic feet of gas, has remained dormant for nearly 20 years since its discovery.

“We couldn’t benefit from the gas due to Israeli pressure,” Mustafa said.

Turkey and Libya’s UN-recognised Government of National Accord last November signed a memorandum of understanding to delimit maritime zones in the eastern Mediterranean in an attempt to block further Greek and Cypriot energy drilling activities in the area.

A deal with the PA could further embolden Turkish attempts to minimise Greek ambitions to restrict Turkish activity into a tight coastline.

Turkey and Greece are Nato allies but have long been at loggerheads over Cyprus, which has been ethnically split

between Greek and Turkish Cypriots since 1974, when the island was divided after a brief Greek-inspired coup triggered a Turkish invasion.

The Republic of Cyprus in the south of the island is a member state of the EU, while the north of the island is controlled by the Turkish Republic of Cyprus, which is only recognised by Turkey. Several peacemaking efforts have failed and the discovery of offshore resources in the eastern Mediterranean in the 2000s has complicated the negotiations.

According to the UN Law of the Sea, coastal states have a right to 320km of maritime territory from their shoreline where they can declare an “exclusive economic zone” (EEZ), and where they have the right to explore and exploit natural resources.

However, because of the concave shape of the eastern Mediterranean, there is an overlap between the areas that each country can claim, requiring negotiations and compromise – and opportunity, some say, for leverage in ongoing conflicts.

Neither Turkey nor Greece have made official EEZ claims, but that has not stopped them from fighting over the territory they envision to be their own.

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**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 αξιόσεβαστο 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.”

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# 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.”

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**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.

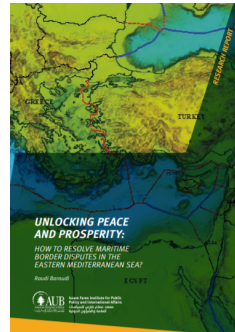
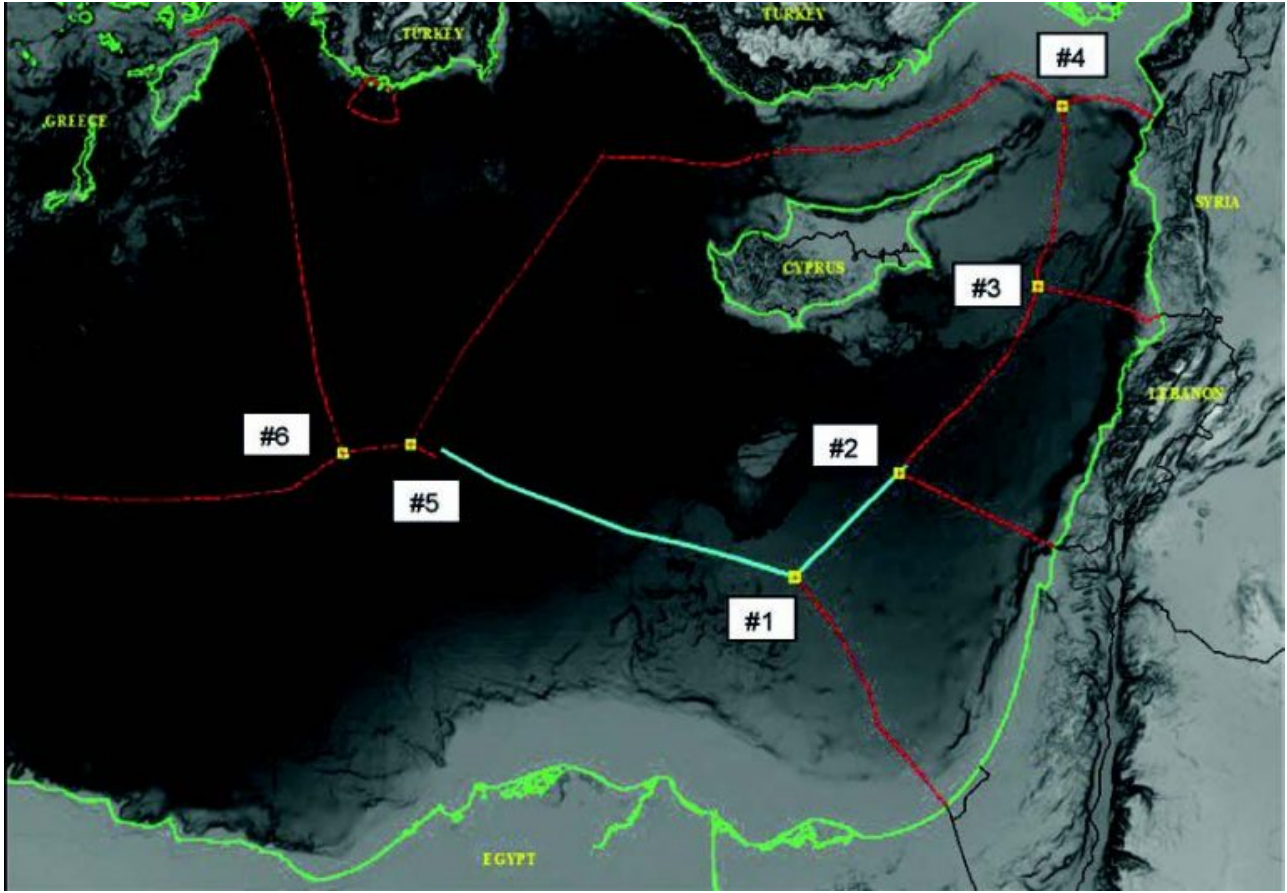
Whatever the temporary inconveniences caused by the pandemic, both Qatar and QP remain bullish on the future – and with good reason. They did not get to where they are by accident, rather by well-timed investments and a commitment to ensuring stable

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.

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**بحث الجامعة الاميركية: منطقة  
شرق المتوسط قد تصبح المحور  
العالمي للطاقة شرط ان تقوم  
دولها الساحلية بترسيم حدودها  
البحرية وفقا لقواعد القانون  
الدولي**



فتح ابواب السلام والازدهار: كيفية حل نزاعات الحدود البحرية في "شرق البحر الأبيض المتوسط" بحث علمي وعملي حققه رودي بارودي الخبير في صناعة الطاقة منذ أربعة عقود وقد نشر بالاشتراك مع معهد عصام فارس التابع للجامعة الأميركية في بيروت ، وهو يقدم للمهتمين تحليلا واضحا للأبعاد الحاضرة والاستنتاجات المباشرة.

بدأ بارودي بوصف احتياطات المنطقة المؤكدة والمحتملة من النفط والغاز الموجودة في اعماق البحر، وتحديدًا كيف يمكن الاستغلال الآمن والفعال لهذه الموارد أن يحول الاقتصادات الوطنية وان يؤثر على العلاقات المضطربة في كثير من الأحيان بين الدول السبع (اليونان وتركيا وسوريا وقبرص ولبنان وفلسطين / إسرائيل ومصر). ثم يشرح كيف أدت الخلافات الحدودية العالقة إلى الحد من عمليات الاستكشاف

والتطوير البحرية في معظم المنطقة - ويخلص في هذا الفصل الى شرح كيف يمكن أن تؤدي التوترات بين الدول إلى مزيد من عدم الاستقرار وحتى إلى الحرب.

بعد ذلك يفصل التقرير آفاق حل النزاعات البحرية، ويوضح أنه على الرغم من ظواهر الامور المعقدة، فإن أدوات الحل بسيطة ومتاحة بسهولة. الحل الوحيد بحسب بارودي أن تتبنى الحكومات المعنية وبشكل كلي، المبدأ الأساسي للأمم المتحدة والنظام الدولي برمته الذي تم العمل عليه منذ الحرب العالمية الثانية: أي الحل السلمي للنزاعات. وبمجرد اقرار هذا المبدأ ، فإن أبحاثه تؤكد أن مزيجًا من القانون والعلوم والتكنولوجيا يجعل ترسيم الحدود البحرية عملية بسيطة وسهلة وتفيد جميع الأطراف.

باختصار، يؤكد التقرير بأنه على الرغم من أن بعض المراقبين والنقاد والسياسيين فقدوا صبرهم من نظام وقواعد الحلول الذي تقوم عليه الأمم المتحدة منذ عام 1945، إلا أننا في الواقع علينا اكتشاف المدى الكامل لفائدة هذا النظام - ليس فقط في منع الصراعات المسلحة ، ولكن حتى في إزالة بعض الأسباب الأكثر شيوعًا للنزاعات في المقام الأول. من الناحية النظرية على الأقل ، أهمية هذه القواعد وهذا النظام يكمن بأن الدول الصغيرة لم تعد تحت رحمة الدول الكبيرة لأن الجميع لديهم نفس سبل الوصول إلى الوسائل القانونية لحل المشاكل العالقة فيما بينهم اضافة الى الأدوات اللازمة لممارستها.

يوضح التقرير أيضًا كيف أن التقدم التكنولوجي يجعل من الممكن رسم المعالم الجغرافية - حتى في أعماق البحرية - بدقة غير مسبوقة، مما يعني أن تحديد الحدود البحرية هو امر سهل ويمكن القيام به في حال توفر الارادة لدى الافرقاء. وحتى إذا لم يكن بالإمكان الاتفاق على الحدود الفعلية لسبب ما (سياسية في الاجمال) ، فإن الأدوات القانونية الحديثة لديها أيضًا آليات يمكن من خلالها للمدعين المتنافسين مشاركة الإيرادات أو الابتعاد عن بعضهم البعض وحتى إنهاء نزاعاتهم حيا او قانونيا. ويؤكد بارودي بان المفقود لدى القيادات الوطنية هو الحس السليم والإرادة الطيبة للتوصل إلى مثل هذه الاستنتاجات.

ويردف أنه بمجرد أن يلجؤا الى مثل هذا الاجراء، فإن الواقع الحالي - في الشرق المتوسط على الأقل - يمكن أن يعرف تغييرًا حقيقيًا في قواعد اللعبة الحالية. فالدول التي تنتج الغاز ستخضع حتماً لتكاليف الطاقة الوطنية الخاصة بها ما يولد عائدات كبيرة من الإنتاج و/ أو الصادرات، وحتى الدول غير المنتجة ستستفيد من استضافة مرافق المعالجة أو النقل. وفي أفضل السيناريوهات، قد

تنضم البلدان الأكثر حظاً إلى خطة إقليمية لتقاسم العائدات. ستسمح هذه التحسينات المالية باستثمارات طال انتظارها في التعليم والرعاية الصحية والنقل والبيئة والمياه النظيفة والحد من الفقر. إضافة إلى استقرار سياسي، إذ سيكون لكل من الخصوم المعتادين (مثل إسرائيل ضد لبنان، وتركيا مقابل قبرص، واليونان مقابل تركيا، إلخ...) حافزاً مستمرًا للتقليل من الاحتكاكات التي قد تعطل ازدهار الاستفادة من الطاقة.

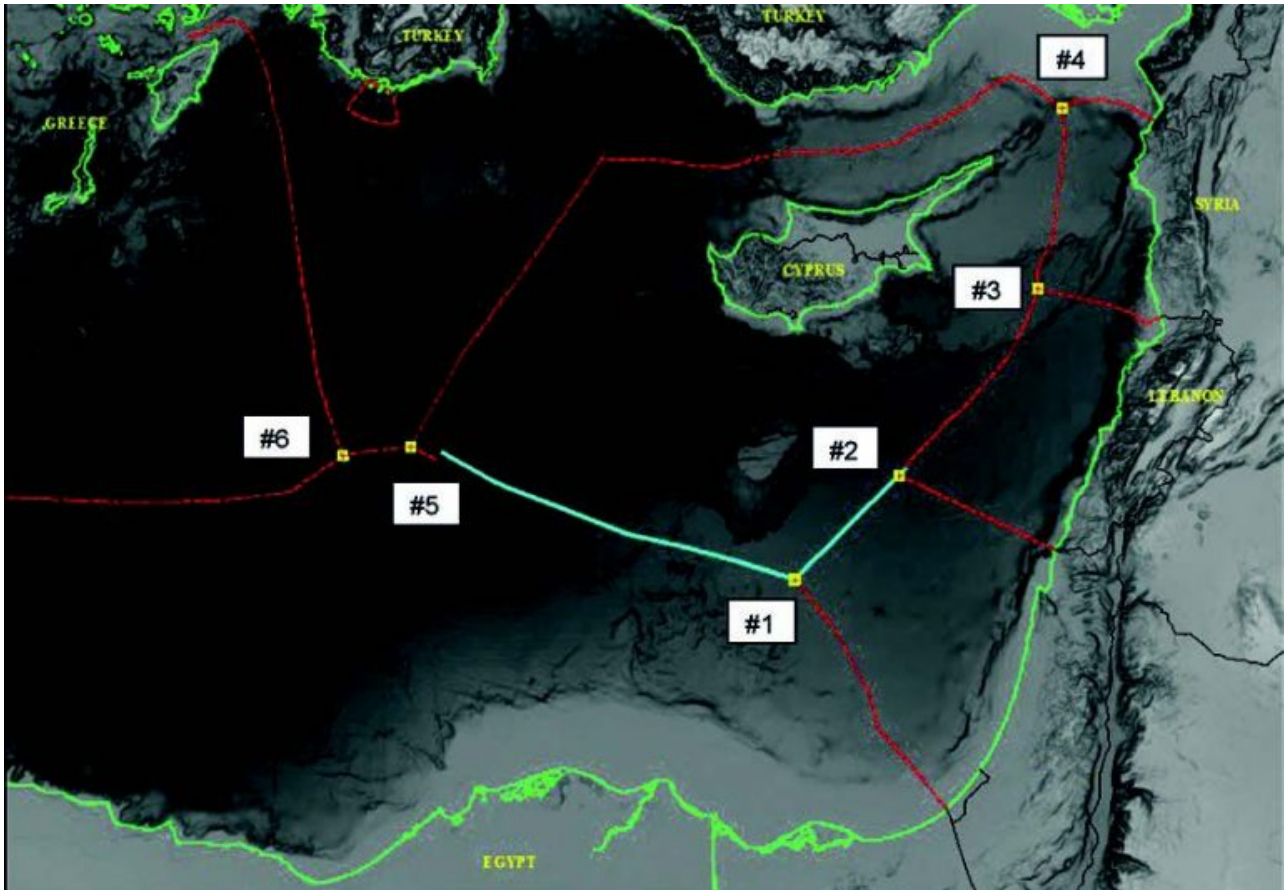
رودي أ بارودي، لبناني الجنسية، يشغل حالياً منصب الرئيس التنفيذي لشركة الطاقة والبيئة القابضة، وهي شركة استشارية مستقلة مقرها في الدوحة، قطر. بعد أن قدم المشورة للشركات والحكومات والكيانات المتعددة الأطراف بشأن السياسة الفضلى في الطاقة، تركيزه الحالي يقوم على ضمان أن تبدأ صناعة الطاقة الناشئة في وطنه بداية صحية وصحيحة من خلال منع الفساد، وتجنب النزاعات الدولية، وتأمين مشاركة كبرى شركات النفط العالمية في عمليات الاستكشاف. نتيجة ظهوره المتكرر في وسائل الإعلام والمؤتمرات، أصبح أحد أبرز المؤيدين لـ "مكاسب السلام" التي ستؤمنها تنمية الطاقة الإقليمية لجميع دول شرق البحر الأبيض المتوسط.

تم تأسيس المعهد في عام 2006، وهو يشدد على البحث المستقل في السياسة العامة والشؤون الدولية، بالإضافة إلى "سد الفجوة بين الأوساط الأكاديمية وصناع السياسات"، خاصة فيما يتعلق بالعالم العربي. تتضمن أهدافه إحداث تأثير من خلال "إعلام عمليات صنع السياسات والتأثير على النقاش العام".



رودي بارودي

# East-Mediterranean, Oil and Gas, Legal and Economic Aspects by Roudi Baroudi



BEIRUT: The Eastern Mediterranean could emerge as both a global energy hub and a powerful endorsement of international law if its coastal states get smart about settling their maritime boundaries, a new research report argues.

Written by four-decade energy-industry veteran Roudi Baroudi and published in conjunction with the American University of Beirut's Issam Fares Institute (IFI), "Unlocking Peace and Prosperity: How to Resolve Maritime Border Disputes in the Eastern Mediterranean Sea" offers both multi-dimensional analysis and straightforward conclusions.

Baroudi starts by describing the region's proved and potential reserves of undersea oil and (mostly) gas, specifically how the safe and effective exploitation of these resources could transform both national economies and the often troubled relationships among the country's seven states (Greece, Turkey, Syria, Cyprus, Lebanon, Palestine/Israel, and Egypt). He then explains how outstanding border disputes have severely curtailed offshore exploration and development in most of the region – and how the resulting tensions could lead to further instability and even war.

The report then details the prospects for resolving these disputes, demonstrating that despite much of what currently passes for conventional wisdom, the tools for the job are both relatively straightforward and readily available. The key, Baroudi, asserts, is that the governments in question need to embrace, once and for all, the bedrock principle of the United Nations and the entire international system built up since World War II: the peaceful resolution of disputes. Once that happens, his research indicates that a combination of law, science, and technology makes maritime boundary delineation a simple and even predictable process that benefits all parties.

In short, the report argues that although some critics have lost patience with the rules-based system fostered by the UN since 1945, we actually are on the cusp of discovering the full extent of that system's utility – not just in preventing armed conflict, but even in removing some of the most common reasons for disputes in the first place. Theoretically at least, this system means that small nations are no longer at the mercy of larger ones because all have access to the same

legal remedies and the tools to exercise these.

In the case of maritime boundaries, the primary implement is the United Nations Convention on the Law of the Sea (UNCLOS), which lays down the legal standards and scientific measurements by which offshore boundaries are to be drawn. The vast majority of the world's countries are signatories to UNCLOS, and even those that are not remain subject to at least some of its tenets, and/or to the jurisdiction of institutions like the International Court of Justice (ICJ). Over the past couple of decades, the ICJ and other courts, as well as various treaties, negotiations, and arbitration findings, have established a large body of precedents that take the guesswork out of border delineation, giving more countries greater incentive to subject their legitimate claims to qualified scrutiny.

As if all this were not enough, the report also outlines how technological advances now make it possible for geographical features – even deep beneath the waves – to be mapped with unprecedented accuracy, meaning that setting maritime borders is virtual child's play. And even if the actual border can't be agreed for some reason (probably an arcane political one), the modern legal toolbox also includes mechanisms by which rival claimants can share revenues or at least stay out of each other's way until such time as they can end their disputes. All that's missing, Baroudi says, are the good sense and the good will for national leaderships to reach such conclusions and act accordingly.

Once they do, he contends, the results – in the Eastern Med, at least – could be genuinely game-changing. Each of the new gas producers would lower their national energy costs and generate significant revenues from production and/or exports, and even non-producing nations stand to benefit by hosting processing or transport facilities. In a best-case scenario, the luckiest countries might accede to a regional revenue-sharing plan. These financial improvements would allow long-



overdue investments in education, healthcare, transport, and poverty reduction. All the while, with their respective economic interests more closely aligned and therefore similarly dependent on regional stability, each of the usual antagonists (e.g. Israel vs. Lebanon, Turkey vs. Cyprus, Greece vs. Turkey, etc.) would have an ongoing incentive to minimize frictions that might derail the energy boom.

A Lebanese national, Baroudi currently serves as CEO of Energy and Environment Holding, an independent consultancy based in Doha, Qatar. Having made a career out of advising companies, governments, and multilateral entities on a energy policy, his recent focus has been on ensuring that his homeland's nascent energy industry gets off to a healthy start by preventing local corruption, avoiding international disputes, and securing the participation of major international oil companies. As a result of his frequent media and conference appearances, he has become one of the most prominent proponents for the "peace dividends" that regional energy development would pay to all East Mediterranean countries.

Established in 2006, the IFI emphasizes independent research into public policy and international affairs, as well as "bridging the gap between academia and policymaking", particularly as these regard the Arab world. Its self-set objectives include making an impact by "informing policymaking processes and influencing the public debate".



Roudi Baroudi

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# 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

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## **Total E&P Liban**



Total has signed two **Exploration and Production Agreements (EPAs)** for Blocks 4 and 9, with the Lebanese Republic.

The EPAs were awarded as part of the 1st offshore licensing round, launched by the Lebanese government in 2017, to the **consortium led by Total acting as operator (40%)** and composed of ENI (40%) and Novatek (20%) as partners.

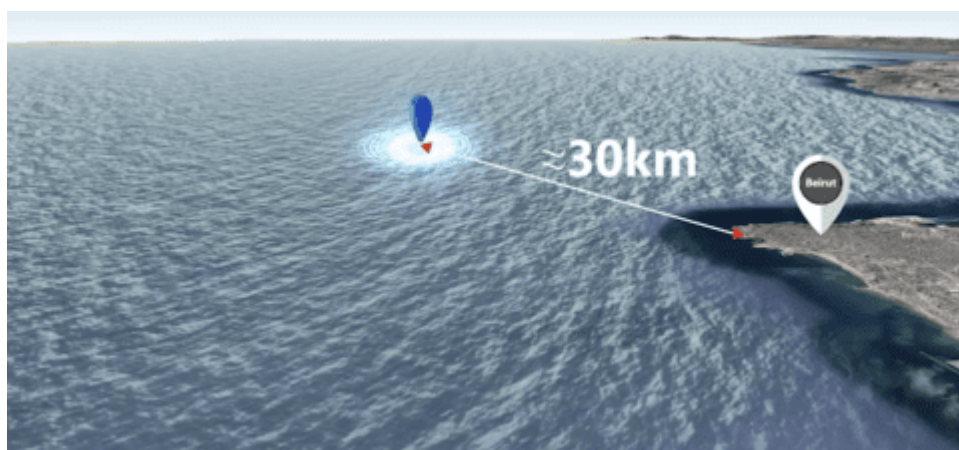
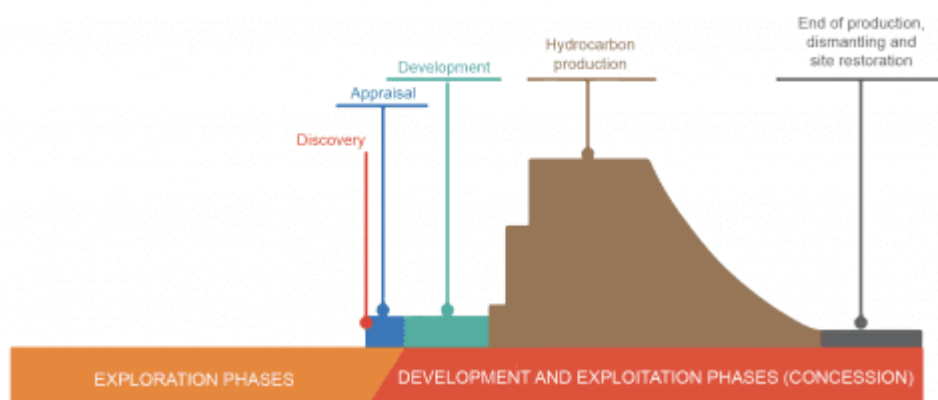
Both Blocks are located in water depths ranging from 1,400 to 1,800 meters knowing that Block 4 is central while Block 9 is in the southern part of the country.

As per an international tender, *Tungsten Explorer drillship*, owned by the company *Vantage Drilling*, was contracted to start the drilling activity in Block 4. The drillship reached Lebanese waters on 25 February 2020. Drilling of the first exploration well on Block 4 in the Exclusive Economic Zone of Lebanon was completed on 26 April, 2020. Traces of gas were observed confirming the presence of a hydrocarbon system, but no reservoirs were encountered. Based on the data acquired during drilling, studies will be conducted to understand the results and further evaluate the exploration potential of the Total operated consortium blocks and the Lebanese offshore.

## **EXPLORATION DRILLING IN BLOCK 4**

The drilling aimed at evaluating the possible presence of

hydrocarbons and was carried by a dynamically positioned drillship, unanchored to the sea bottom. It was completed to a depth of 4,076 meters and through approximately 1,500 meters of water depth. The drilling activity took place 30 km North of Beirut.



## STEPS OF OFFSHORE EXPLORATION DRILLING

An exploration well does not allow the production of hydrocarbons however, it verifies their presence and allows the collection of many essential information such as: pressure, temperature, permeability, composition of the geological layers and nature of the fluid within the rocks. The collected data during this stage will validate or not the presence of hydrocarbons. For more info, watch the video.

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**Oil prices have slumped to their lowest for two decades as doubts grew about Donald Trump's hopes of ending the US lockdown and investors braced for a week of potentially damaging figures about the impact of the coronavirus on the world economy.**



The price of US crude oil plunged almost 20%, to below \$15, in



early trading on Monday – its lowest point since 1999 – as stockpiles continued to build owing to a crash in demand caused by the Covid-19 pandemic.

Concerns have been heightened by the growing standoff between the US president and state governors over whether the US can begin to lift restrictions on movement and businesses.

It came as the heads of all the UN's major agencies issued a graphic warning of the risk of coronavirus to the world's most vulnerable countries after disclosing that international donors had pledged only around a quarter of the \$2bn the UN requested for its emergency Covid-19 response in March.

At a daily media briefing that grew increasingly tetchy, Trump said on Sunday night that 4.18 million Americans had been tested for the coronavirus and that the widespread operation was paving the way for parts of the country to reopen for business. "That's a record anywhere in the world," he claimed.

But governors accused the president of being "delusional" and said they could not embark on Trump's recommended three-phase programme to ease stay-at-home restrictions because the testing regime was still not good enough.

Virginia's governor, Ralph Northam, a Democrat, told CNN's State of the Union he had been "fighting" for testing. "For the national level to say that we have what we need, and really to have no guidance to the state levels, is just irresponsible, because we're not there yet."

Maryland's Republican governor, Larry Hogan, agreed and said it was "absolutely false" to say that governors had enough testing capacity.

Despite the huge fall in the oil price – seen as a barometer of the prospects for the global economy – there were signs from other parts of the world that economies could soon begin getting back to normal.

In Germany, smaller shops were set to reopen on Monday for the first time in a month after politicians declared the coronavirus “under control”. From florists to fashion stores, the majority of shops smaller than 800 square metres (8,600 square feet) will be allowed to welcome customers again, in a first wave of relaxations to strict curbs on public life introduced last month.

Chancellor Angela Merkel and regional state premiers announced the decision to reopen last week, though they have been careful to cast it as no more than a cautious first step.

On the other side of the world, New Zealand prime minister Jacinda Ardern said the country’s stringent lockdown would be eased next Monday barring any major upsets.

She said the measures had “stopped a wave of devastation” but even under the revised regime, most New Zealanders would still be required to stay at home most of the time. Meal deliveries would be permitted and shops would be allowed to re-open providing they only sell goods online.

In Australia, some beaches in Sydney were reopened in a sign that the country was moving towards normalising daily life. The government wants at least 40% of the population to download a tracing app on their phones to help track cases of the disease before lockdown curbs are eased.

In other global developments:

- There have now been more than 2.4 million confirmed cases and 165,000 deaths from Covid-19 worldwide. The news came as US deaths passed 40,000 on Sunday – nearly a quarter of the global total – with infections at just under 760,000, or just under a third of the world’s total.
- The lack of protective personal equipment for health service workers in the UK intensified after it emerged that 400,000 gowns ordered from Turkey did not arrive as

planned on Sunday. The British government has been widely criticised for failing to ensure that NHS staff have enough proper equipment to protect themselves from contracting Covid-19, along with other shortcomings in its virus response. The UK has more than 121,000 cases and 16,000 deaths.

- France reported another 395 coronavirus deaths on Sunday as hospital admissions continued to decline. The daily death toll also fell sharply in Spain and in Italy the official daily toll from coronavirus edged down to 433 on Sunday, the lowest figure in one week.
- South Korea reported fewer than 20 new cases of the virus for the third day in a row. On Monday it announced 13 new infections, bringing the nation's total infections to 10,674. For the third day running, no deaths were reported in China.
- A Japanese expert in infectious diseases, Kentaro Iwata, a professor at Kobe University Hospital, said he was pessimistic about the country's prospects of holding the Olympic Games despite their postponement until next year. Meanwhile, the country's trade surplus dropped 99% in March thanks to the impact of the virus on its large export sector.
- The world's top male tennis player, Novak Djokovic, has admitted that his opposition to vaccinations might prevent him from rejoining the tour.