

LA DOTE ENERGETICA DELL'IRAN TORNA A FAR GOLA AI MERCATI



Roberto Bongiorno – Il Sole 24 Ore Sabato 12 Febbraio 2022– N.42

E se una mano per alleggerire in futuro la dipendenza energetica europea dalla Russia, e raffreddare oggi le quotazioni del greggio, arrivasse proprio dal Paese più sanzionato di tutti?

In questi giorni gli occhi del mondo sono puntati su Vienna, dove è in corso l'8° round di negoziati tra il gruppo 5+1 e la delegazione iraniana sul programma nucleare. È un momento cruciale. I progressi compiuti da Teheran nel processo di arricchimento dell'uranio hanno posto gli Stati Uniti davanti a un bivio; o si conclude un accordo entro febbraio, o poco dopo, oppure sarà troppo tardi.

I mercati del petrolio sono in trepidazione. Se dovesse venire riconfermato il Jpcoa, l'accordo firmato nel luglio 2015, verrebbero rimosse le sanzioni. La riconferma del Jpcoa raffredderebbe subito i prezzi del greggio, oggi sopra i 90 dollari al barile.

D'altronde la dote energetica dell'Iran è invidiabile. Possiede le seconde riserve di gas naturale al mondo e le terze di petrolio. Quando, a inizio 2016, vennero rimosse le sanzioni internazionali contro Teheran, l'Iran sorprese il mondo aumentando in tempi molto più rapidi delle attese la sua offerta di greggio. In 12 mesi l'export più che raddoppiò a due milioni di barili al giorno (mbg). Poi arrivò la doccia fredda: l'8 maggio del 2018 il presidente americano Donald Trump decise di uscire abbandonare il Jpcoa. Le "sanzioni più dure di sempre", volute Trump, assestarono un durissimo colpo sulle vendite iraniane di greggio. Prima del maggio 2018, l'Iran arrivò a produrre un picco di 4,8 milioni di barili al giorno, esportandone circa tre. Nel 2019, quando si abbatté la

scure delle sanzioni, l'export crollò, precipitando nel febbraio 2020 a 400mila barili al giorno, il livello più basso da 30 anni. Oggi la situazione si ripete. Ma lo scenario in cui avviene è diverso. Il prezzo del barile sta puntando ai 100 dollari. Sul mercato europeo, le quotazioni del metano, che in alcune circostanze seguono in parte quelle del greggio, sono quintuplicate in soli sette mesi.

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La futura ricchezza dell'Iran è invece il gas naturale. L'Iran galleggia su un mare di metano; ha le seconde riserve mondiali. Condivide con il Qatar il giacimento più grande al mondo, South Pars, nelle acque del Golfo Persico. Il Qatar lo sfrutta da tempo ed è divenuto il primo produttore mondiale di gas naturale liquefatto (Lng). L'Iran ne sfrutta solo una minima parte. Nel corso degli anni, nonostante le sanzioni, Teheran è comunque riuscita ad aumentare la produzione di metano, spesso associata all'estrazione di greggio. Ma ne ha esportato molto poco. La gran parte è destinata al mercato interno, dove i consumi sono in costante crescita. Il 73% dell'elettricità prodotta in Iran, Paese da oltre 80 milioni di abitanti, è ricavata proprio dal gas.

Per l'Iran il gas naturale liquefatto è la via più facile, più rapida e più redditizia, spiega da Doha Roudi Baroudi, esperto di energia ed autore di studi sui gasdotti mediterranei. «L'Iran ha realizzato una serie di gasdotti con la Turchia e l'Iraq (Nel 2020 Iraq e Turchia hanno rappresentato rispettivamente il 64% ed il 33% delle esportazioni iraniane di metano, Ndr) – continua Baroudi -. Per raggiungere l'Europa dovrebbe aumentarne la capacità e costruire nuove tratte. In una regione tuttavia estremamente instabile. L'Lng è molto più flessibile».

Nell'Iran settentrionale potrebbe aprirsi un potenziale nuovo corridoio. In agosto il ministero dell'Energia ha infatti ufficializzato la scoperta del più grande giacimento di gas naturale nel settore iraniano del Mar Caspio. Il campo Chalous potrebbe così contribuire alla realizzazione di un nuovo hub del metano nel nord dell'Iran.

Certo, in ogni caso Tehran non potrà prescindere dagli investimenti stranieri. «L'Iran non può fare a meno della tecnologia che solo le compagnie occidentali possono offrire. Ci vorranno investimenti per 60 miliardi di dollari. Si potrebbe rimettere in vita l'accordo con Total», continua Baroudi. Nel 2017 fu proprio la compagnia francese ad essere la prima major a firmare, dopo la rimozione delle sanzioni, un accordo da cinque miliardi di dollari con la National Iranian Oil Company per lo sviluppo e la produzione della fase 11 di South Pars.

Se tutto andrà liscio, ci vorrà comunque del tempo prima che il gas iraniano potrà raggiungere le coste europee. «Prima occorre incrementare la produzione a South Pars. Ci vogliono da uno a tre anni. Poi servono altri 12-24 mesi realizzare gli impianti per liquefare il gas e acquistare le navi per trasportarlo », conclude Baroudi.

Se venisse raggiunto un accordo a Vienna, sul breve termine il greggio iraniano potrebbe dunque raffreddare le quotazioni attuali. Mentre nell'arco di qualche anno il gas di Teheran potrebbe contribuire a diversificare gli approvvigionamenti europei permettendo a Bruxelles di ridurre la dipendenza dalla Russia. Nello scenario peggiore – un'invasione russa dell'Ucraina e un mancato accordo sul nucleare – gli Usa imporrebbero sanzioni energetiche sul primo produttore mondiale di greggio e gas, e manterrebbero al contempo quelle su uno dei primi cinque esportatori di greggio (con le seconde riserve di gas). L'America possiede gas e greggio in abbondanza per soddisfare la domanda della sua industria. Chi ci rimetterebbe sarebbero proprio i Paesi europei, Italia in testa.

Aramco Revives Talks on Multi-Billion Dollar Refinery in China



Saudi Arabia's state oil company Aramco has revived discussions to build a multi-billion dollar refining and petrochemicals complex in China, according to several people with knowledge of the matter.

Aramco is holding preliminary negotiations about a facility in the Northeastern province of Liaoning with partners including Norinco, a state-owned defense contractor, said the people.

Talks over what was meant to be a \$10 billion venture were suspended in 2020 as oil crashed at the start of the pandemic. Now, with crude approaching \$100 a barrel, Aramco's finances have been transformed, freeing up money for investment in its biggest export market.

China and Saudi Arabia's ties have strengthened as Beijing's need for oil has grown along with its economy. The kingdom was the biggest supplier of crude to China last year, according to data compiled by Bloomberg.

As part of the Chinese refinery plan, Aramco is negotiating terms that could include its trading unit providing crude to the venture, said two of the people. Aramco Trading Co. purchases and sells oil from Saudi Arabia and other countries. An agreement is not imminent and it's still unclear how much of the original plan still stands, said the people.

Aramco didn't immediately respond to a request for comment. Calls to a Norinco spokesman's office after business hours weren't answered. An email to a spokesman and the general address of the company wasn't immediately answered.

Downstream Expansion

Aramco and Norinco signed a framework agreement in 2017 to construct a refinery capable of handling 300,000 barrel per day of crude. They were also meant to build a 1.5-million-ton-per-year ethylene plant.

Saudi Aramco cut spending and shelved several projects in 2020 to protect its \$75 billion annual dividend, the world's biggest. Its cashflow has jumped this year and rose above its quarterly dividend in the second and third quarters.

The company's downstream business, which includes chemicals subsidiary Sabic, swung to a profit as margins for refined fuel climbed. The unit – which includes refineries, retail operations, trading and Sabic – made a \$4 billion profit before interest and tax in the third quarter.

Aramco aims to roughly double its global refining network to handle as much as 10 million barrels a day by 2030. It was mulling a \$15 billion investment in Reliance Industries Ltd.'s oil-to-chemicals unit in India, but the plan was scrapped late last year.

هوكشتاين إلى بيروت الثلاثاء حاملًا «مقاربة» تعيد إحياء مفاوضات الترسيم... لبنان ينتظر «الاقتراحات»



موريس متى - 02-2022

يصل الى بيروت الثلاثاء المقبل المنسق الاميركي لشؤون الطاقة

الدولية والوسيط في موضوع #ترسيم الحدود البحرية الجنوبية آموس هوكشتاين آتيا من تل أبيب وفي جعبته تصور لكيفية إعادة إحياء المفاوضات غير المباشرة بين لبنان وإسرائيل لترسيم الحدود، فيما تشير المعلومات الى إمكان ان يحمل هوكشتاين للجانب اللبناني ردا رسميا إسرائيليا على الشروط اللبنانية التي تعيد الوفد اللبناني الى طاولة المفاوضات.

تتعدد الروايات والتحليلات لما قد يحمله المفاوض الاميركي معه الى بيروت، في حين تشير المعلومات الى امكان ان يقترح الابقاء على الخط 23 وإسقاط الخط 29 والتأكيد على حق لبنان بمساحة الـ 860 كلم² المتنازع عليها، شرط التأكيد على ملكية إسرائيل لحقل «كاريش» على ان يكون حقل «قانا» من حصة لبنان. ولكن، في حال صدقت هذه التوقعات، نكون قد انتقلنا من حل «علمي» لترسيم الحدود الى حل «سياسي» يسقط الخطوط المقترحة لكون جزء من حقل «قانا»، الذي تقدّر احتياطاته بمليارات الدولارات، وقد يصل حجم ثرواته إلى ضعف حقل «كاريش»، وثلاثا هذا الحقل موجودان في البلوك الرقم 9 اللبناني، أما الثلث المتبقي فموجود مباشرة تحت الخط 23. وحتى مع اعتماد الخط 23 والابقاء على مساحة الـ 860 كلم² لمصلحة لبنان، فان أي حل لا يحفظ كل حقل «قانا» لمصلحة لبنان لن ترضى به بيروت. ويبدو ان الجانب الاسرائيلي هو الاكثر «إستعجالا» للإنتهاء من ملف ترسيم الحدود البحرية مع لبنان، حيث تتربع إسرائيل وصول باخرة التنقيب في آذار المقبل لبدء العمل في حقول «تانيين» و«كاريش نورث» و«كاريش ساوث»، مع الإشارة الى ان كل حقل «كاريش نورث» يقع ضمن المنطقة المتنازع عليها مع لبنان، في حين ان ما بين 5% الى 10% من حقل «كاريش ساوث» يقع ضمن المنطقة المتنازع عليها. وفي أحدث التطورات المتعلقة بسعي إسرائيل للإسراع في بدء العمل على هذه الحقول، وبعد أيام من اعلان وزير الطاقة الإسرائيلي تمنياته باستئناف المفاوضات الحدودية مع لبنان بوساطة أميركية قريبا، توقع شركة «إنرجين» اليونانية التي تعمل على حقول غاز «كاريش» و«كاريش الشمالي» و«تانيين» قبالة السواحل الاسرائيلية، عقد بدء استخراج الغاز من حقل «كاريش» بحلول الربع الثالث من العام Sembcorp Marine التي بنتها شركة FPSO الحالي مع استخدام سفينة في سنغافورة بكلفة مليار دولار، على ان تبحر هذه السفينة نحو الشواطئ الاسرائيلية في الأشهر المقبلة وتحتاج الى 35 يوما للوصول الى النقطة المتفق عليها في البحر، وإلى 3 اشهر بعد تاريخ الوصول لبدء مهمتها. وفي تشرين الثاني الفائت، أكدت شركة «إنرجين» ان موعد إنتاج الغاز من حقل «كاريش» يبقى في النصف الثاني من العام

2022 بعدما توقعت الشركة في العام 2018 ان تبدأ عملية استخراج الغاز من حقل «كاريش» في الربع الاول من العام 2021، لكن الظروف لم تصب في مصلحة تل ابيب لناحية الالتزام بالوقت المحدد نتيجة الخلافات السياسية الداخلية وازمة حكومة رئيس الوزراء الإسرائيلي السابق بنيامين نتنياهو، اضافة الى جائحة كورونا وغيرها.

وفي هذا السياق، أكد الرئيس التنفيذي لشركة «إنرجين» ماتيوس ستكون جاهزة للإبحار نحو المياه الاسرائيلية FPSO ريغاس ان سفينة في نهاية آذار المقبل، على ان تعمل في حقل «كاريش» ولتبدأ عملية استخراج الغاز في الربع الثالث من العام الحالي لتنتقل بعدها الى المصري (NEA/NI) حقل.

الخبير الدولي في شؤون الطاقة رودي بارودي يرحب بأي وساطة من الولايات المتحدة لإعادة إحياء المفاوضات غير المباشرة بين لبنان وإسرائيل، معتبرا انها «بالتأكيد موضع ترحيب كبير إقليميا ودوليا وذلك للمضي قدماً بشكل تدريجي في التوصل إلى حلول عادلة ومنصفة للنزاع بين إسرائيل ولبنان في شأن مسألة ترسيم الحدود». ويعود بارودي ليذكر بما ورد في إحدى الدراسات من حيث الاخطاء التي ارتكبتها لبنان لناحية إعطاء الإحداثيات البحرية في العام 2010، اضافة الى الاحداثيات البحرية الخاطئة التي أعطتها إسرائيل للأمم المتحدة في العام 2011، إذ تبين أن لبنان بدأ على مسافة 64 متراً في حين ان إسرائيل (LTP) تقريداً من نقطة الحدود عند نهاية البر بدأت على مسافة نحو 32 متراً من الشاطئ عند نقطة رأس الناقورة المتفق عليها، ومن هنا لا يستبعد بارودي ان تجبر أي محكمة دولية أو الأمم المتحدة كلاً من لبنان وإسرائيل على الالتزام بإعادة النظر في هذا الخطأ وتصحيحه في حال لجأ أي من الطرفين الى الادعاء امام إحدى المحاكم الدولية او تقديم شكوى امام الامم المتحدة رفضاً لأي حل قد يُعتبر غير عادل. ومن أوجه التناقض الجوهرية أن النظام لم يكن موجوداً في الفترة ما بين (GPS) العالمي لتحديد المواقع 2010 و2011، أما حالياً ومع خدمات تصوير الأقمار الاصطناعية العالي الجودة، يمكن كلا البلدين إصلاح الاحداثيات البحرية الخاطئة في غضون أيام. وفي دراساته المختلفة في شرق البحر المتوسط، يؤكد بارودي وجود حقل غاز متداخل يقع بالقرب من حقل «ألون - د» الإسرائيلي اي البلوك 72 الذي يمكن أن يمتد إلى المياه الإقليمية اللبنانية، فيما يمكن التعامل مع هذا الحقل مثل أي حقل آخر في العالم من خلال ما يُعرف بـ«اتفاقية التنمية المشتركة». وقد اختارت شركة «توتال»

الفرنسية عند تحديد نقطة الحفر في البلوك 9، نقطة تبعد 25 كلم عن حقل «قانا» لعدم الدخول في أي نزاعات قضائية. وفي هذا الإطار يؤكد رودي إيمان ان يبدأ تحالف شركات «توتال - إيني - نوفاتك» بالحفر الاستكشافي الخاص بها على مسافة 10-15 كلم شمال المنطقة المتنازع عليها، كما تفعل في البلدان الأخرى حول العالم وتحديداً ما هو حاصل حالياً في قبرص.

إسرائيل إحتجت في رسالة وجهها في الاسابيع الأخيرة رئيس بعثتها في الأمم المتحدة الى الأمين العام أنطونيو غوتيريس يبدى فيها اعتراض تل أبيب على فتح لبنان دورة تراخيص هي الثانية للتنقيب عن النفط والغاز في المياه البحرية، إذ يعتبر الجانب الاسرائيلي ان دورة التراخيص الثانية تمتد الى «المياه الاسرائيلية»، أي الى مساحة الـ 860 كلم مربعا المتنازع عليها بين الجانبين، وجدت بالتالي تمسكها بهذه المساحة ما بين الخط 1 والخط 23. وحذرت تل أبيب شركات التنقيب عن النفط من القيام بأي أعمال استكشاف أو تنقيب لمصلحة لبنان في هذه المنطقة، لتعود الى الواجهة التساؤلات حول تأخر وزارة الخارجية اللبنانية في توجيه كتاب الى الأمانة العامة للأمم المتحدة للإعتراض على الرسالة الاسرائيلية والتأكيد على تمسك لبنان بالخط 29 وبالمفاوضات غير المباشرة لربط النزاع مجددا مع الجانب الاسرائيلي، خصوصا ان لبنان لم يقر بعد تعديل المرسوم 6433، ولكن يبدو انه قرر «المهادنة» في انتظار ما سيجمله المفاوضات. الاميركي في جعبته الى بيروت.

ExxonMobil posts \$23bn in 2021 profits on higher oil prices



ExxonMobil reported a profitable fourth-quarter Tuesday to conclude a strong comeback year in 2021 on higher oil prices amid recovering energy demand.

The oil giant reported annual profits of \$23 billion last year compared with a loss of \$22.4 billion in 2020 when demand was dented by the Covid-19 lockdowns. High oil prices helped boost results again during the quarter, although increased costs cut into gains in some operations.

“Our effective pandemic response, focused investments during the down-cycle, and structural cost savings positioned us to realize the full benefits of the market recovery in 2021,” said Chief Executive Darren Woods.

In the fourth quarter, ExxonMobil’s upstream business benefited from higher prices in oil and natural gas, which surged 63 percent compared with the third quarter.

The company also benefited from a profitable run in its downstream business in a reversal from last year’s fourth quarter, as well as increased earnings in chemicals.

However, ExxonMobil said profits in its European refining operations were limited somewhat by higher energy prices. The company also flagged higher feed and energy costs as a drag in its chemical business.

On Monday, ExxonMobil announced it was combining its chemical and downstream businesses as it enacts \$6 billion in cost savings through 2023. The company is also shifting its corporate headquarter to Houston from Irving, Texas near Dallas.

Higher oil prices set to lead

to higher twin deficits, inflation in most Fitch-rated energy importers in Mena



Higher oil prices are set to lead to higher twin deficits and inflation in most Fitch-rated energy importers in the Middle East and North Africa (Mena), the agency has said in a new report. Most of these Mena countries with the exception of GCC sovereigns are net importers of hydrocarbons. "We assume oil prices will moderate to average USD70 a barrel in 2022 (similar to 2021) and fall further in 2023- 2024. However, price risks are to the upside," Fitch Ratings said. In all but one Mena oil importers, regulated electricity prices are below the cost recovery level. Support to electricity sectors is a significant contributor to fiscal deficits and/or the build-up of indebtedness in Jordan, Lebanon and Tunisia, it said. Electricity prices for consumers have been flat through 2020-2021 in Morocco and Tunisia but have risen in Egypt, Jordan and Lebanon. In Egypt, this is part of a programme of tariff hikes. Countries are generally seeking to enact reforms over the medium term that will raise tariffs (at least for some consumers) while providing targeted assistance. Petroleum subsidies have largely been removed across the region, and prices adjust to oil market fluctuations, although subject to decisions by a pricing committee in most countries and a small monthly adjustment cap in Tunisia. Higher global oil prices have trickled through to transportation CPI inflation across the region. According to Fitch Ratings, higher energy prices will widen current account deficits (CADs) of net energy importers, particularly Lebanon, Tunisia, Jordan and Morocco. In Tunisia, this will put pressure on (currently adequate) foreignexchange reserves, amid lack of access to external funding. In Lebanon, import volumes will be constrained by

dwindling reserves, absence of external funding and a collapsing economy. Rising prices of hydrocarbon feedstock could eventually require changes in tariffs or higher fiscal outlays to support electricity sectors, although electricity companies can absorb higher losses in the short term. Gas pricing is linked to oil prices, but long-term supply agreements cushion the impact of hydrocarbon price swings (in Jordan and Tunisia), as does domestic hydrocarbon production (in Egypt, Israel and Tunisia) and electricity generation from renewables (most importantly in Morocco), Fitch said.

IMF's misstep on climate finance



The International Monetary Fund seems determined to dilute one of the best examples of global co-operation in response to the economic disruptions induced by the Covid-19 pandemic and climate change. It must change course now, before it is too late.

The IMF's allocation of \$650bn in special drawing rights (SDRs, the Fund's reserve asset) in August was long encouraged and widely welcomed. Given the IMF's tight rules, it was clear from the start that the vast majority of SDRs would go to countries that did not need them. As a result, G7 leaders pledged to re-channel upwards of \$100bn of their allocations to "countries most in need of ... pandemic [support to] stabilise their economies, and mount a green and global recovery ... aligned with shared development and climate goals." While these moves seem small compared to the \$17tn that rich countries have spent to support their economies during the pandemic, they were nonetheless significant. In October, just

two months after the allocation, the G20 backed a plan by the IMF and the World Bank to develop and implement a Resilience and Sustainability Trust, which would allow wealthy countries to channel their allotments to low- and middle-income countries vulnerable to economic shocks. Because the RST could be used to address risks related to climate change, it would fill a glaring gap in international finance. The IMF announced that it would have a proposal ready for its 2022 spring meetings.

But will it be enough?

Extreme weather events like floods and hurricanes can trigger financial instability in vulnerable countries as they wipe out capital stock and sources of foreign exchange. Likewise, countries dependent on fossil-fuel exports face fiscal uncertainty as demand for oil and gas decreases to meet climate goals. In both cases, spillover effects can negatively affect trade. Countries confronting such conditions must undertake a structural transformation of their economies. But many low- and middle-income countries lack access to the cost-effective, flexible financing they need.

A well-designed RST would make the IMF criteria for resource allocation and country eligibility more adaptable. Unfortunately, five design flaws in the IMF's approach would render the planned RST ineffective for most climate-vulnerable countries.

The first flaw concerns eligibility. IMF programmes discriminate on the basis of income, but climate change does not. While the G20 explicitly called for the establishment of an RST covering low-income and climate-vulnerable middle-income countries, the IMF has adopted a narrow interpretation according to which middle-income countries would be eligible only if they do not exceed a certain income threshold.

But traditional measures of income are a poor criterion for determining eligibility. The IMF must adjust its thinking to actual circumstances and ensure that eligibility is based on climate vulnerability. It should not be controversial to integrate into the criteria simple measures such as

susceptibility to physical climate risks like floods, droughts, and hurricanes, or economic factors like the share of fossil-fuel exports in total foreign-exchange earnings.

Second, there is a problem with the terms and accessibility of the funds. Developing countries lack the fiscal space to mobilise domestic resources to address the structural changes their economies need. Many also lack access to external resources on reasonable borrowing terms. But the IMF is proposing that RST users be charged the SDR interest rate (currently five basis points and on the rise) plus a margin of up to 100 basis points. These rates are not very different from what the Fund currently charges middle-income countries. More problematic is the access limits, which would be 100% of quota, or less than the SDR equivalent of \$1bn. These guidelines would do little to address the financing needs of all but the smallest countries.

The third flaw is the IMF's insistence on conditionality. The Fund sees the RST as a top-up scheme for existing programmes. This is deeply troubling. According to the IMF's own research, its existing lending facilities are stigmatised, owing to their high levels of conditionality and low levels of performance with respect to economic recovery and other social outcomes. The RST was supposed to be a new instrument that recognises and channels resources to the countries that are most vulnerable to climate change. But what the IMF plans is repackaged business as usual.

Climate-vulnerable countries have not applied for IMF support even during the pandemic, when the Fund has experienced the largest use of its facilities. Adding a small top-up at the same price and level of conditionality essentially will lock up much-needed financing for climate resilience.

The fourth flaw is that even though the IMF is only now devising a climate-change strategy, it would head the RST. Multilateral and regional development banks are also prescribed SDR institutions, and they have a longer view and a stronger track record on climate policy. They need to be part of the RST's governance.

Lastly, there is the question of scale. IMF Managing Director Kristalina Georgieva has said the RST would be funded with around \$30bn initially and then scaled up to \$50bn. While the RST alone cannot be expected to substitute finance needed to address the intensifying effects of climate change, the needs assessment released by the Standing Committee on Finance of the United Nations Framework Convention on Climate Change put the figure at \$6tn, and other estimates are significantly higher. At the recent UN Climate Change Conference (COP26), Barbados Prime Minister Mia Amor Mottley, whose country is among the world's most vulnerable, proposed an annual increase in SDRs of \$500bn for 20 years to finance resilience and sustainability.

The IMF's shareholders and stakeholders must reconsider the RST's design. To succeed, it must include all climate-vulnerable developing countries, regardless of income level. It must provide low-cost financing that does not undermine members' debt sustainability and is not linked to pre-existing IMF programmes with onerous conditionalities. It must be governed by key stakeholders in development-finance institutions. And it must scale appropriately over time.

The IMF must make the necessary adjustments to its proposal for the RST. If it cannot, creditor countries should refrain from capitalising it. – Project Syndicate

• The authors are members of the Task Force on Climate, Development and the International Monetary Fund.

Cyprus awards Block 5 gas

right to ExxonMobil, Qatar Petroleum



The Cypriot government on Thursday awarded a license for natural gas exploration rights for an offshore block to a consortium made up of ExxonMobil and Qatar Petroleum.

Energy Minister Natasa Pilides said ExxonMobil would be administering the Block 5 concession with a share of 60 per cent.

"I have also been authorized to sign on behalf of the Republic of Cyprus, the exploration and production sharing contract agreed with the consortium after intense negotiations," she told journalists after the approval.

The contract with the two companies will be signed at a ceremony to be held in Nicosia within the next few days, she added.

ExxonMobil and partner Qatar Petroleum plan on drilling an appraisal well in Block 10, where natural gas was discovered, towards the end of November or early December.

[Kathimerini Cyprus]

QatarEnergy announces long-term LNG supply agreement with China's Guangdong Energy

Group



*** Under the sale and purchase agreement with Guangdong Energy Group, Ras Laffan Liquefied Natural Gas Company will supply 1mn tons per year of LNG to China over a 10-year period, beginning 2024**

QatarEnergy announced that its LNG producing affiliate, Ras Laffan Liquefied Natural Gas Company, entered into a long-term sale and purchase agreement (SPA) with Guangdong Energy Group Natural Gas Company (GEG) for the supply of 1mn tons per year of LNG to China over a 10-year period starting in 2024.

Commenting on the occasion, HE the Minister of State for Energy Affairs Saad Sherida al-Kaabi, also the President and CEO of QatarEnergy said, "We are pleased to enter into this long-term supply agreement with Guangdong Energy Group and look forward to establishing a successful and mutually rewarding relationship. This agreement further demonstrates our commitment to continue to be a trusted and reliable energy partner for the People's Republic of China."

Al-Kaabi expressed his thanks to Sheikh Khalid bin Khalifa al-Thani, the CEO of Qatargas, and the working teams from both sides for the successful conclusion of this new long-term LNG supply agreement.

Deliveries of LNG under the SPA will utilise Qatar's fleet of conventional, Q-Flex and Q-Max LNG vessels, allowing GEG to receive LNG primarily at the Dapeng and Zhuhai LNG Receiving Terminals.

Opec+ agrees to go ahead with

oil output rise, as US pressure trumps virus scare



Opec and its allies agreed on Thursday to stick to their existing policy of monthly oil output increases despite fears that a US release from crude reserves and the new Omicron coronavirus variant would lead to a fresh oil price rout.

Benchmark Brent crude fell more than \$1 after the deal was reported, before recovering some ground to trade around \$70 a barrel.

It is now well below October's three-year highs above \$86 but still more than 30% up on the start of 2021.

The United States has repeatedly pushed Opec+ to accelerate output hikes as US gasoline prices soared and President Joe Biden's approval ratings slid.

Faced with rebuffals, Washington said last week it and other consumers would release reserves.

Fearing another supply glut, sources said the Organization of the Petroleum Exporting Countries, Russia and allies, known as Opec+, considered a range of options in talks on Thursday, including pausing their January hike of 400,000 barrels per day (bpd) or increasing output by less than the monthly plan.

But any such move would have put Opec+, which includes Saudi Arabia and other US allies in the Gulf, on a collision course with Washington.

Instead, the group rolled over its existing deal to increase output in January by 400,000 bpd.

"Politics triumphs over economics. Consumer countries mounted enough pressure," said veteran Opec observer Gary Ross. "But weaker prices now will only mean stronger later."

Ahead of the talks, US Deputy Energy Secretary David Turk indicated there might be flexibility in the US release of reserves, telling Reuters on Wednesday that Biden's administration could adjust the timing if oil prices dropped

substantially.

Opec+ remains concerned that the Covid-19 pandemic could once again drive down demand.

Surging infections have prompted renewed restrictions in Europe and the Omicron variant has already led to new clamp downs on some international travel.

“We have to closely monitor the market to see the real effect of Omicron,” one Opec+ delegate said after the talks.

Opec+ ministers are next scheduled to meet on January 4, but the group indicated in a statement that they could meet again before then if the market situation demanded. Before this week’s talks Saudi Arabia and Russia, the biggest producers in Opec+ had both said there was no need for a knee-jerk reaction.

Commenting after the Opec+ decision, Russian Deputy Prime Minister Alexander Novak said the oil market was balanced and global oil demand was slowly rising.

Opec+ has been gradually unwinding record cuts agreed last year when demand cratered due to the pandemic, slashing output by about 10mn bpd, or 10% of global supply.

Those cuts have since been scaled back to about 3.8mn bpd.

But Opec+ has regularly failed to meet its output targets, producing about 700,000 bpd less than planned in both September and October, the International Energy Agency (IEA) says.

The West’s wasted crisis



The silver lining in the gloomy cloud of the pandemic was the opportunity it gave the West to mend its ways. During 2020, rays of light shone through. The European Union was forced to contemplate a fiscal union. Then, it helped remove Donald

Trump from the White House. And a global Green New Deal suddenly appeared less far-fetched. Then 2021 came along and drew the blackout curtains.

Recently, in its financial stability review, the European Central Bank issued an angst-ridden warning: Europe is facing a self-perpetuating debt-fueled real estate bubble. What makes the report noteworthy is that the ECB knows who is causing the bubble: the ECB itself, through its policy of quantitative easing (QE) – a polite term for creating money on behalf of financiers. It is akin to your doctors alerting you that the medicine they have prescribed may be killing you.

The scariest part is that it is not the ECB's fault. The official excuse for QE is that once interest rates had fallen below zero, there was no other way to counter the deflation menacing Europe. But the hidden purpose of QE was to roll over the unsustainable debt of large loss-making corporations and, even more so, of key eurozone member states (like Italy).

Once Europe's political leaders chose, at the beginning of the euro crisis a decade ago, to remain in denial about massive unsustainable debts, they were bound to throw this hot potato into the central bank's lap. Ever since, the ECB has pursued a strategy best described as perpetual bankruptcy concealment.

Weeks after the pandemic hit, French President Emmanuel Macron and eight other eurozone heads of government called for debt restructuring via a proper eurobond. In essence, they proposed that, given the pandemic's appetite for new debt, a sizeable chunk of the mounting burden that our states cannot bear (unassisted by the ECB) be shifted onto the broader, debt-free, shoulders of the EU. Not only would this be a first step toward political union and increased pan-European investment, but it would also liberate the ECB from having to roll over a mountain of debt that EU member states can never repay.

Alas, it was not to be. German Chancellor Angela Merkel summarily killed the idea, offering instead a Recovery and Resilience Facility, which is a terrible substitute. Not only is it macroeconomically insignificant; it also makes the prospect of a federal Europe even less appealing to poorer

Dutch and German voters (by indebting them so that the oligarchs of Italy and Greece can receive large grants). And, despite an element of common borrowing, the recovery fund is designed to do nothing to restructure the unpayable debts that the ECB has been rolling over and over – and which the pandemic has multiplied.

So, the ECB's exercise in perpetual bankruptcy concealment continues, despite its functionaries' twin fears: being held to account for the dangerous debt-fueled bubble they are inflating, and losing their official rationale for QE as inflation stabilises above their formal target.

The scale of the opportunity Europe has wasted became obvious at the recent United Nations Climate Change Conference (COP26) in Glasgow. How could EU leaders lecture the rest of the world on renewable energy when rich Germany is building lignite-fueled power stations, France is doubling down on nuclear energy, and every other EU member state saddled with unpayable debts is left to its own devices to deal with the green transition?

The pandemic gave Europe an opening to devise a credible plan for a well-funded Green Energy Union. With a eurobond in place, and thus liberated from the purgatory of perpetual bankruptcy concealment, the ECB could be backing only the bonds that the European Investment Bank issues to fund a Green Energy Union. So, yes, Europe blew its opportunity to lead the world by example away from its addiction to fossil fuels.

We Europeans were not alone, of course. As US President Joe Biden was landing in Glasgow, the usual corrupt congressional politics back home were uncoupling his already much-shrunk green agenda from a very brown infrastructure bill, placing climate change on the back burner. While the United States, unlike the eurozone, at least has a Treasury Department that works in tandem with its central bank to keep debts sustainable, it, too, has missed a magnificent opportunity to invest heavily in green energy and the high-quality jobs implied by the transition from fossil fuels. How can the West expect to persuade the rest of the world to embrace ambitious

climate commitments when, after two years of waxing lyrical about the green transition, Biden and the Europeans arrived in Glasgow virtually empty-handed? As 2021 winds down, Western governments, having wasted their chance to do something about the clear and present climate emergency, are choosing to focus on exaggerated worries. One is inflation. While the acceleration in price growth must be checked, the widespread comparisons with the stagflation of the 1970s are ludicrous. Back then, inflation was essential for a US actively blowing up the Bretton Woods system in order to maintain the dollar's "exorbitant privilege." Today, inflation is not functional to American hegemony; rather, it is a side effect of the US economy's reliance on the financialisation process that imploded in 2008.

The West's other constructed panic is China. Initiated by former US President Donald Trump, and zealously perpetuated by Biden, the emerging new cold war has an unacknowledged purpose: to enable Wall Street and Big Tech to take over China's finance and technology sectors. Terrified by China's advances, like a functioning central bank digital currency and a macroeconomic stance that is vastly more sophisticated than their own, the US and the EU are opting for an aggressive stance that is a mindless threat to peace and to the global co-operation needed to stabilise our planet's climate. A year that began hopefully is ending grimly. Western political elites, unable (and perhaps unwilling) to turn a deadly crisis into a life-preserving opportunity, have only themselves to blame. – Project Syndicate

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