Oil and Gas

Advertising and editorial information

The Gulf plans to publish this report on 1 March 2011.
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This special report is part of *The Gulf's* series of monthly reports on energy, industry and finance in the countries of the Gulf Co-operation Council. For a full list of special reports, please see below.

We plan to include the following articles. (Please note this list is provisional)

Introduction

The countries of the Gulf Co-operation Council (GCC) along with Iraq and Iran hold 60 per cent of the globe's conventional oil reserves and around 40 per cent of its gas reserves. While the region's natural resource riches have led to a windfall (during the oil price surge of 2002 to 2008, GCC states accrued $912 billion in foreign assets), they have also presented challenges. Saudi Arabia, the world's biggest oil exporter, is the only country in the world with significant spare production capacity. By some counts, global demand will start to brush up against capacity within the next two years, putting greater pressure on prices, and the region's oil fields. Though Gulf countries are increasing their production capacities and reversing declines with new technologies, we look at how long existing reservoirs can sustain their production. We also examine whether declines in other fields around the world, and a lack of forward planning, may exert pressure on Middle East capacity. This article examines the region's efforts to boost production capacity, the efficiency of Gulf national oil companies and their ability to meet growing global demand.

The Gulf's gas dilemma

Despite being blessed with hydrocarbon riches, GCC states face a major gas shortfall. Qatar, the world's largest liquefied natural gas (LNG) producer and exporter, is currently the only GCC country with surplus gas to export, and would be the logical supplier to its energy-hungry neighbours. Qatar is however already tied in to long-term contracts. Similarly though Iran has the reserves, it does not have the volumes or capabilities to export. We looked at how the Gulf countries can meet domestic gas demand to fuel their growing economies.

Saudi Aramco: Which direction?

Saudi Aramco is by far the world's biggest oil company, and the linchpin of the global oil market. The company is branching out with a raft of new projects. We examine the challenges the company faces as it embarks on its next phase of development, and look at the opportunities for international groups in refining, petrochemicals and gas developments.

Kuwait: Open to offers?

Kuwait sits on eight per cent of the world's oil reserves, but years of under-investment and political wrangling have stalled the industry. The oil sector has long been mired in indecision and bogged down in politics. Nevertheless, Kuwait's ability to push through its first enhanced technical services agreement with Royal Dutch Shell in February 2010, encouraged international oil companies to look again at the country. We examine the opportunities and challenges for companies hoping to do more in Kuwait.

Iran: Defying sanctions

Despite stiffer sanctions, Iran's hydrocarbon prospects are looking up. A raft of new oil discoveries have been announced, while sanctions appear to be increasingly unimportant to a growing number of the world's fastest-growing economies. In January China agreed to renew crude import pacts with Iran for this year for a total supply of almost the same as last year. The ongoing dispute between the Iran and India over payment methods also appears to be reaching a conclusion.

Iraq: The regions' wild card

Iraq wants to produce 12 million barrels of oil a day by 2017 - more than Saudi Arabia currently produces. However the International Energy Agency has given a downbeat assessment of Iraq's ambitions, and thinks it would take up to two decades to achieve half of that number. We assess Iraq's goals, OPEC quotas, and the challenges that lie ahead.

Qatar: Liquid Gold

Qatar is shifting its long-term focus to the largest emerging markets of Asia. We examine the investments and strategies required for Qatar to compete in the long-term with established LNG producers in Asia. We also look at Qatar's plans to expand its geographical customer base, both far away and closer to home.

Abu Dhabi: Fuelling the future

In January, the US's Occidental petroleum was awarded the lead contract to develop Abu Dhabi's troubled Shah sour gas project. We examine Abu Dhabi's gas development plans. We also look at its plans to hike oil production capacity; while a blue print is in place for state oil company Adnoc to increase capacity, it will require huge financial investments and operational wizardry.

Petrochemicals and refining

Gulf countries have earmarked petrochemicals as one of the cornerstones of their economic diversification strategies. To this end, large industrial cities dominated by petrochemical manufacturing plants have been built. This is especially true in Saudi Arabia, where Saudi Basic Industries Corporation (Sabic) has established itself as one of the world's leading petrochemicals producers. However, petrochemical and refining margins are vulnerable to oil price volatility as well as global economic dynamics which impact product demand. Though the economic recovery offers brighter prospects for the downstream sector in 2011, any large-scale expansion of refining and petrochemical capacity in the Gulf in future will require fresh investment in import/export infrastructure.

Key companies:

This section looks at the key firms working in the region, in the fields of petrochemicals, refining, oil services and exploration.

About The Gulf

The Gulf is the region's leading publication focused on business and economics in the Gulf Co-operation Council (GCC). Designed for any reader with a serious interest in the region, The Gulf brings analysis, features, insight and interviews with business leaders and policy-makers to its thousands of readers, both in print and online. With an audited circulation of more than 14,000, The Gulf has one of the widest guaranteed distributions of any monthly business publication in the GCC, with direct access each month to more than 50,000 senior executives regionally and internationally. The Gulf offers insight into key markets including Saudi Arabia, Qatar and the fast-growing emirates of Abu Dhabi and Dubai. News from 20 market sectors, ranging from energy to capital markets, is supported by an analysis of business trends and topical issues, helping readers stay informed about changes in one of the world's most dynamic regions.

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