OIL PRICES

Saudi energy minister signals no change to Opec-plus quotas

Brent crude has traded above $65 a barrel since mid-February, and hit a high of $67.55 on 13 March. March prices were impacted by Saudi Arabia’s Energy Minister Khalid al-Falih’s decision to rule out any changes to output cuts at the 17-18 April Opec-plus alliance meeting.

Al-Falih said Saudi Arabia is likely to maintain output in April at March’s level of 9.8 million barrels a day (b/d), meaning prices could rise further. Riyadh is reportedly keeping its crude exports below 7 million b/d in April. Meanwhile, BofA Merrill Lynch Global Research says it expects Brent oil prices to average $50-$70 through 2024.

ALGERIA

President Abdelaziz Bouteflika decides not to run for re-election

Algeria’s President Abdelaziz Bouteflika has said he will not seek re-election for a fifth term in office in a dramatic reversal of events following weeks of mass protests.

In February, the incumbent president declared his intention to pursue a further term in office, after receiving endorsement from his party and the ruling coalition. However, on 11 March Bouteflika said he would drop his bid to extend his presidential term in the next elections. The president said his decision was in response to “pressing demand” from the people. Bouteflika also revealed that the upcoming elections planned for April would be delayed.
**ISLAMIC FINANCE**

**Sovereign sukuk issuance to reach all-time high by 2020**
Global sovereign and supra-national sukuk issuance will recover in 2019 and surpass its record-high volumes by 2020 – and possibly sooner – if oil prices remain moderate, Moody’s Investors Service says in a report.

The expected recovery stems from “higher deficit financing needs amid moderate oil prices, in particular for sovereign issuers in the GCC region, higher sukuk refinancing needs especially in Malaysia, and a gradual increase in the share of sukuk in major issuers’ fiscal deficit financing”.

By 2020, Moody’s expects total sovereign and supra-national sukuk issuance, including short-term securities, to surpass the all-time high of $93bn reached in 2012, and up from $78bn in 2018.

**LIBYA**

**Egypt to help with $20bn first phase of Libya rebuild**
The first phase of the proposed reconstruction of Libya will cost an estimated $20bn and require more than three million workers, which could provide “a good push" for neighbouring Egypt’s economic fortunes, the secretary-general of the Federation of Egyptian Chambers of Commerce, Alaa Ezz, has told the media. He said the federation is in negotiations with Libyan counterparts about work in sectors including infrastructure, construction, roads, communications and tourism. “The council is negotiating with international financial institutes to lend Libya the $20bn,” Ezz said.

**UAE**

**Adnoc awards Japanese firm onshore exploratory block**
Abu Dhabi National Oil Company (Adnoc) has awarded the exploration rights for Abu Dhabi onshore Block 4, part of Abu Dhabi’s upstream licensing round, to Japan’s Inpex Corporation. A wholly owned Inpex subsidiary, Japan Oil Development Company (Jodco) Exploration, will hold and manage the interest in the concession on behalf of Inpex.

The agreement has a duration of 35 years, and has been endorsed by Abu Dhabi’s Supreme Petroleum Council.

Adnoc has now awarded four of the six exploratory blocks it offered in Abu Dhabi’s first-ever licensing round to foreign exploration and production firms.

The two offshore blocks Adnoc offered in the licensing round have been jointly awarded to Italy’s Eni and Thailand’s PTTEP. Onshore Block 3 has been awarded to US-based Occidental Petroleum.

**OMAN**

**Gas production to surpass oil output by 2023, says report**
Oman’s gas production levels are set to surpass oil by 2023, thanks to a surge in the development of gas fields in the sultanate, according to Rystad Energy.

At peak production in 2016, Oman’s oil output reached 900,000 barrels a day (b/d), declining to 870,000 b/d in 2018. Rystad Energy forecasts that oil production will decrease by an additional 200,000 b/d by 2025 as output from older fields slumps.

Oman’s recent focus on gas is expected to escalate production to about 4.6 billion cubic feet a day by 2025, shifting Oman’s oil-gas production mix from about 35 per cent gas in 2015 to more than 50 per cent in 2025.

**30%**
Decline in global sukuk issuance in 2018

**4.6 billion cf/d**
Oman’s expected gas production by 2025

**$176m**
Amount Inpex will invest to explore for and appraise oil and gas opportunities in Abu Dhabi onshore Block 4
**SAUDI ARABIA**

Riyadh considers options for world’s tallest tower

Saudi Arabia’s Public Investment Fund has invited five firms to take part in a design competition for a tower in Riyadh that could be the world’s tallest when completed. According to sources involved in the scheme, the height of the proposed tower could reach 1,200 metres, which would make it taller than the 828-metre Burj Khalifa.

Design firms were approached to take part in the competition in late February and five have now been shortlisted for the contest. Two other tower projects are being built in the region that when completed could be the world’s tallest. These are the 1,008-metre Jeddah Tower scheme in Saudi Arabia and The Tower at Dubai Creek Harbour.

**YEMEN**

US Senate passes bill to end support for military coalition

The US Senate on 14 March approved a bill to end the country’s support for the Saudi-led military coalition waging a war against the Houthi militia group in Yemen. The bill seeks to end US military involvement in the conflict within 30 days. US President Donald Trump has vowed to veto the resolution should it pass through the US Congress.

Trump has described Saudi Arabia as a vital ally and resisted calls to end US aid for the Arab coalition overseeing military efforts in Yemen. This is the second time in months that a bill on pulling US support for the conflict has been voted on in the Senate. In December, the US Congress stalled a similar measure.

**SYRIA**

Turkey and Russia eye closer coordination on Syria

Turkey and Russia are discussing establishing a coordination centre to better manage their operations in Syria’s rebel-controlled Idlib province, Turkey’s Defence Minister Hulusi Askar has said.

Russia, a close ally of the Syrian regime, and Turkey, which supports the rebels, have been on opposite sides in the Syrian war. However, Turkish President Recep Tayyip Erdogan and Russia’s President Vladimir Putin agreed in September 2018 to implement a 14-kilometre demilitarised zone in Idlib to prevent an assault on the province. Both countries are now preparing to undertake joint patrols around Syria’s northwestern region, including Idlib.

**FURTHER READING**

Read more on [www.meed.com](http://www.meed.com)

**Italy’s Eni has announced a new gas discovery** in Egypt’s offshore Nour North Sinai concession. The find is under evaluation and lies about 50 kilometres north of the Sinai peninsula. The Nour-1 New Field Wildcat, which led to the discovery, was drilled in a water depth of 295 metres and reached a total depth of 5,914 metres.

**Kuwait Integrated Petroleum Industries Company** has announced that contractors have completed 80 per cent of the works on its upcoming $16bn Al-Zour refinery megaproject. The project consists of five main packages. The engineering, procurement and construction contracts were awarded during the second half of 2015.

**The UK’s Petrofac has signed a field development contract** worth about $1bn with Groupment Isarene, the joint operating group set up by Sonatrach, Petroceltic and Enel, for the Ain Tsila development project in Algeria. The project scope includes commissioning and performance testing.

**Consultants are preparing prequalification documents** for the $500m expansion of Beirut’s Rafic Hariri International airport, which will be implemented using a public-private partnership model. Consultants are expected to seek interest for the project in April, with the prequalification process to start in May.