# Annual Report 2010

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# Foreword


*Abdalla Salem El-Badri — OPEC Secretary General*

The year 2010 was an exceptional one for OPEC. It was, however, a less exceptional one for the international oil market.

It saw the Organization celebrate its 50th anniversary and reflect upon its considerable achievements during that memorable half-century. Fortunately, it could do this at a time of relative stability in the international oil market, after the turbulence and uncertainties of the two previous years brought about by the financial sector meltdown and global recession.

The year turned out to be much stronger than anticipated in terms of oil consumption with world oil demand estimated to have risen by 2.1 m b/d, averaging 86.7 m b/d. This was a consequence of a good recovery by the world economy. Unprecedented fiscal and monetary support from governments across the globe had created an impressive degree of momentum, and the level of growth was about twice as high as forecast. After the 0.8 per cent decline of 2009, world gross domestic product in 2010 is now estimated to have increased by 4.7 per cent. However, sovereign debt levels reached record highs in some countries and there was some overheating in Asia. These conditions may pose challenges to future global growth. Moreover, unbalanced growth levels across the world economy became more pronounced, and this may have a significant influence on the pattern of future global expansion.

Throughout the year, OPEC continued to monitor and analyse developments in the market, and its Oil/Energy Ministers reviewed the results at two Ordinary and one Extraordinary Meetings of the Conference. On each occasion, after observing that the oil market was well-supplied with crude, the Conference decided to leave unchanged the production agreement reached in

Oran, Algeria, in December 2008. That decision had already turned out to be a highly significant one, halting the oil price collapse of 2008 and supporting prices at a level acceptable to producers and consumers. The Ministers emphasized repeatedly in 2010 that they remained ready at all times to take further measures to help balance the market, should the need arise. They also pointed out that the achievement of market order and stability was the responsibility of all stakeholders, since all parties benefit from this. Thus, further advances in dialogue and cooperation were welcomed, notably through the International Energy Forum and the European Union/OPEC Energy Dialogue.

OPEC's 50th Anniversary celebrations marked an extraordinary achievement for a group of developing countries with such humble origins in 1960. The occasion recalled the will, determination and lasting success of an Organization that has worked tirelessly towards protecting the sovereign interests of its Member Countries in securing a steady income for their people, as well as ensuring efficient and regular supplies of petroleum to the consumers at prices that are fair and acceptable.

A series of special events and publications helped commemorate the Golden Jubilee, in both Vienna and Member Countries. Ministers set the ball rolling at the March Conference when the new Secretariat building, into which the Staff had moved the previous November, was officially opened and a set of anniversary postage stamps unveiled. Member Countries also produced their own stamps and the Austrian Post Office issued a special edition stamp to mark the Anniversary. The acclaimed highlight of the year was a ten-day exhibition in Vienna's historic Kursalon in September that showcased the rich culture and history of Member Countries. Other activities included a Gala Dinner hosted in October by the State of Qatar, two classical music concerts sponsored by Venezuela and Qatar, a quiz for high school students, a redesigned website and a Golden Jubilee issue of the OPEC Bulletin.

Continuing our tradition of sharing the findings of our research with a wider audience, the Secretariat published OPEC's annual World Oil Outlook, Annual Statistical Bulletin and Annual Report, in addition to the monthly OPEC Bulletin and Monthly Oil Market Report, the quarterly OPEC Energy Review and other less frequent publications. In-depth studies, some of which were released to the public and received wide coverage in the media, provided deeper insights into the oil market.

All these achievements could not have been recorded without the support and dedication of the Staff of the Secretariat who worked hard to help the Organization meet its objectives.

As we close the chapter on 2010 and continue to ponder the achievements of the past 50 years, we look to the future with cautious optimism. Even though the world economy appears to be in better shape now, risks remain. But, as OPEC's 50th Anniversary slogan, 'Supporting Stability, Fuelling Prosperity', puts it, the Organization's policy decisions in the years ahead will continue to focus on creating harmony and stability in the international oil market for the benefit of producers, consumers, investors and the world economy at large — whatever the challenge, whatever the obstacle.

*Abdalla Salem El-Badri*
*Secretary General*

# The world economy

The world economy managed a strong recovery in 2010. The unprecedented support provided by governments across the globe in an attempt to lift economic growth after the recession of 2009 created impressive momentum. The level of growth turned out to be around twice as high as initially forecast. After a decline of 0.8 per cent in 2009, global GDP growth in 2010 is now estimated to have been 4.7 per cent (Table 1). However, there may be consequences associated with this: levels of sovereign debt have reached record highs in some countries and there has been overheating in Asia, combined with very high inflation. These conditions may challenge global growth in the future. However, for 2010, the emergency measures were successful in stimulating growth.

Unbalanced growth levels across the global economy became more pronounced during 2010. While export-driven economies (primarily those of the developing countries) enjoyed very high growth levels, importer countries (primarily those of the OECD) grew at a much lower rate. The imbalance in growth rates has been highlighted by several G20 member countries, as well as the International Monetary Fund (IMF).

The OECD experienced growth of 2.8 per cent in 2010, which, after a decline of 3.5 per cent in 2009, appears to be a strong turnaround. Broad-based stimulus packages across the regions were seen, led by the United States and Japan. The main contributor to global growth, however, was developing Asia, and particularly China. China's contribution to the 4.7 per cent global growth of 2010 was around 1.4 percentage points; that is, the economy contributed almost 30 per cent of global growth. India contributed a lower, but still impressive, 0.5 percentage points; more than ten per cent of global growth. So, China and India together contributed more than 40 per cent of growth in 2010, an impressive trend, and more than the total OECD region's contribution which stood at around 1.5 percentage points. The success of developing economies was still highly dependent on exports to wealthier OECD countries. Within the OECD, the US economy contributed the most, adding 0.6 percentage points to global growth in 2010.

The financial support provided by governments since 2008 has been enormous. It has been estimated that the combined efforts of the United States, the Euro-zone, Japan and China alone come to around 17 trillion US dollars in this respect. Based on 2008 global GDP (purchase power parity-based), this represents more than a quarter of global GDP. While the largest part of such financial support has been provided in the form of guarantees (mainly for ailing financial institutions), the cash investments that have been provided to the above-mentioned economies have totaled around six trillion US dollars, or around ten per cent of global GDP. These support measures spanned a period of two years and will be felt, in part, beyond this period. It should be noted that such stimulus contributed five percentage points to global growth per annum over two years and that the mentioned four

**Table 1**
**World economic growth rates, 2009–10** (% change over previous period)

| | **2009** | **2010** |
|---|---|---|
| OECD | –3.5 | 2.8 |
| Other Europe | –5.4 | –0.3 |
| Developing countries | 2.3 | 6.0 |
| Africa | 2.6 | 4.4 |
| Latin America and Caribbean | –0.2 | 5.4 |
| Asia and Oceania | 3.3 | 6.7 |
| Asia-Pacific | 0.1 | 7.7 |
| OPEC | 1.0 | 3.5 |
| China | 8.7 | 10.3 |
| FSU | –7.2 | 4.2 |
| **Total world** | **–0.8** | **4.7** |

***Sources:***
*OPEC Secretariat estimates; OECD, Main Economic Indicators; OECD, Economic Outlook; International Monetary Fund (IMF), World Economic Outlook; IMF, International Financial Statistics.*

regions comprise only 60 per cent of the world economy.

At the beginning of the year, due to fiscal stimulus measures that were skewed, it was expected that the first half of 2010 would experience a much higher growth rate than the second half. It turned out, however, that quarterly growth during 2010 was relatively balanced, with the exception of Japan, which not only stimulated the first half of the year, but also the third quarter. Growth then fell away in the fourth quarter. New stimulus measures announced at the end of the year by the United States and Japan should continue to lift global growth in 2011.

On foreign exchange markets, the US dollar moved significantly versus the euro in the first half of 2010. At the beginning of the year, the exchange rate stood at $1.44/€. The euro then followed a clear downward trend to the beginning of June, when it reached a level below $1.20/€, the lower level of the trading band. The main reason for this was the weakening of the Euro-zone due to the sovereign debt challenges in Greece and other weaker Euro-zone countries compared to the strengthening US economy over the same period. After the Euro-zone's issues were contained, and the US economy's rebound showed some slow-down, the euro started to move up versus the dollar, but moves in the second half of the year were more volatile. The year closed at $1.34/€. The situation regarding the dollar compared to the yen has been similar. While the exchange rate started the year at a level of ¥93.0/$ it experienced volatility. It began the second half of the year slightly below this level, but then the dollar weakened more significantly pushing the exchange rate down to almost ¥80.0/$ at the beginning of November, when the Federal Reserve Board (FED) announced another round of quantitative easing. The year closed at ¥81.0/$.

## North America, Japan and Euro-zone

All the three major economic regions in the OECD experienced solid growth in 2010. After the decline of 3.5 per cent that the region experienced in 2009, the OECD managed to grow by an estimated 2.8 per cent in 2010. The major government-led stimulus packages helped to lift growth considerably.

The US grew by 2.9 per cent, after a 2.6 per cent decline in 2009. While at the end of 2009 and the beginning of 2010, governmental spending and inventory build-up provided the major support factors for the economy, 2010 was characterised by a move back to consumption-led growth. Pre-recession, such growth constituted about two-thirds of GDP growth. This led to a recovery in the manufacturing sector that has kept the ISM-index for manufacturing above the level of 55 for the whole year, indicating ongoing strong growth. The unemployment rate improved slightly from 9.7 per cent in January to 9.4 per cent in December, but remains at an elevated level. This presented a major challenge. In order to help improve the labour market, the US administration announced a multi-billion-dollar stimulus package at the end of 2010. This, combined with the FED's further quantitative easing measures of 600 billion dollars in the fourth quarter 2010, kept the growth trend moving forward at the end of the year and into 2011.

Japan's recovery was surprisingly strong and the economy benefited from fiscal stimulus into the third quarter of 2010. Incentives that targeted stimulating private consumption for cars and household devices were very successful in the third quarter. The absence of such consumption was a major reason for Japan's GDP decline in the fourth quarter of 1.3 per cent. Despite this, an overall expansion of 3.9 per cent in 2010 was observed. In general the economy was lifted not only through domestic demand, but also by a recovery in exports. Every month in 2010 saw export growth year-on-year and while the growth decelerated from January 2010 (41 per cent) to December (13 per cent), the rate of increase began to rise again in November. Unemployment remained at an average of 4.9 per cent over the year. But the situation in the labour market began to improve supported by the manufacturing sector. Even the country's deflationary trend improved over the course of 2010. While the consumer price index  was negative for most of the year, it began to increase in October.

The Euro-zone was one of the most challenged regions in the OECD. While there was no expectation of significant growth in 2010, the overheating of the construction sector in some member countries and the high unemployment rate as a consequence presented further problems. In the first half of 2010, it became obvious that the budgetary and sovereign debt situation of Greece was more serious than most observers had expected. With the danger of a contagion, the Euro-zone countries, in a joint effort with the IMF, were successful in drawing up rescue measures in the form of the European Stability Financial System. This ended much of the speculation that could have endangered the stability of the Euro-zone. Still, the Euro-zone appears to comprise a two-tier economy. While the Euro-zone as a whole grew by an estimated 1.7 per cent in 2010, Germany and France posted 3.6 per cent and 1.6 per cent growth respectively, while Spain declined by 0.1 per cent and Greece by 4.3 per cent. This two-tier situation applies with regards to almost every economic measure and over the next year it remains to be seen how a further division of the Euro-zone countries can be avoided, given that austerity measures in the weaker countries are expected to be more severe than those in other countries.

## Emerging markets in 2010

Concerns about the risk of a double-dip recession gave way to a more optimistic outlook in 2010. The principal support to global demand during the year was the strength of the emerging markets. Most emerging markets experienced a vigorous recovery that took output above levels reached before the crisis. Growth in the non-OECD, however, slowed toward the end of 2010 as the impact of fiscal stimulus packages and the inventory cycle faded, but it is expected to remain strong in 2011. This will help countries such as Germany and Japan, which depend on rising exports to the emerging economies to drive growth, and highly indebted economies such as the US and the UK, where export growth is vital to help offset the weakness of domestic demand.

Among emerging economies, BRICs led the growth. BRIC countries, specifically China and India, continued to enjoy solid rates of growth to the end of 2010. These countries are expected to maintain their high rate of expansion in 2011.

With a few exceptions, small economies endowed with hydrocarbons or mineral resources experienced good economic growth in 2010. Most countries of Sub-Saharan Africa also experienced significant economic expansion during 2010 but this should be kept in context, since these economies grew from a low base. Thus, economic performance during 2010 will go only a small way towards raising incomes per head and reducing poverty in these countries.

In the equity markets of the emerging economies, downside risks originating from the global economy still existed in late 2010. Massive monetary stimulus packages combined with the ongoing global recovery led to concerns about new asset bubbles forming. Emerging market assets have surged and other risky asset classes, such as commodities, have seen strong rebounds, and the risk of shocks to the global economy from market corrections is rising. Painful corrections may be witnessed as central banks in emerging markets tighten monetary policy, as fiscal stimulus is withdrawn, and as the weak foundations of recovery become apparent. The resulting dislocations, including a shock to banks and a renewed rise in risk aversion, would reinforce and deepen a renewed economic slowdown.

World trade is estimated to have expanded by 12.2 per cent in 2010. This was driven by sustained growth in developing countries, as their integration into the global economy deepens. As consumers and companies in the developed world kept a close eye on costs, lower-cost producers from emerging markets continued to gain market share. Trade between emerging markets showed the most dynamism. Emerging Asia witnessed the fastest rate of export growth, led by China, although the initial burst of recovery made way for more moderate growth rates. Trade growth in the developed world is recovering fairly strongly, but it is still some way below the rates of growth seen in the emerging world.

China remained the primary source of demand growth in 2010, but it is also expected that Chinese demand growth will ease as a result of government efforts to cool the property market, in particular, as well as efforts to curb emissions. Furthermore, the restocking cycle for many commodities is now nearly complete. Unless an individual commodity has an especially tight market balance or negative supply developments, such as copper or tin, this suggests that prices will struggle to improve much from current levels.

GDP growth in Latin America is forecast to be lower in 2011 than in 2010. As US growth also slows down, the worst affected countries will be those in the US-dependent north. Mexico, Central America and the Caribbean are highly dependent on the US for their exports, foreign investment, worker remittances and tourism. It is expected that growth in these sub-regions will decelerate. The region suffered a weak 2010 as a result of poor tourism demand (reflecting still-weak employment and private consumption in the US).

Growth in Asia and Australasia was estimated to be 6 per cent in 2010. A strong recovery in industrial production and trade has been under way since the second quarter of 2009, and domestic demand has held up well in many countries. Historically, most Asian recoveries have relied on exports, but in 2009 and 2010 the recovery in many countries was driven by large fiscal stimulus packages and loose monetary conditions. In emerging Asia, the risk of fiscal stimulus packages failing to encourage private sector demand is less than in developed countries. However, there is a risk that the stimulus measures might fuel bubbles in real estate markets.

In 2010, the oil price and persistently high government spending in oil-producing countries lifted growth again in the Middle East and North Africa. It is estimated that regional growth in 2010 has been around 4.0 per cent. Nevertheless, real regional GDP growth remained below the levels seen in 2005–08. Countries in North Africa, meanwhile — particularly Tunisia and Morocco —

were affected by the impact of weak growth in the Euro-zone, which is the largest market for their exports and is also an important source of tourists and remittance inflows. Other relatively diversified economies with large domestic markets, such as Egypt and Israel, have weathered the downturn more comfortably and are probably better placed to withstand a downturn in the European Union. Against the background of high global commodity prices and ongoing progress on economic reform, the economic outlook for Sub-Saharan Africa continues to look relatively bright. Regional growth was around 4.4 percent in 2010.

## BRICs

### Brazil

A wide margin of victory in the October 2010 presidential election provides a reasonably strong mandate for Dilma Rousseff to continue with the policies of her predecessor, Luiz Inácio Lula da Silva. In 2010, Brazil's policy mix was a combination of an expansionary fiscal stance and tight monetary policies, keeping interest rates high and the real (national currency) strong. After delays in 2010, Congress is expected to approve the new legal framework governing oil reserves in the vast pre-salt area, with new concessions expected to be granted in 2011.

Brazil's economic growth was 7.2 per cent in 2010, but a fiscal adjustment and softer global growth will prevent GDP from growing by more than 4.5 per cent in 2011. Private consumption growth will decelerate from nearly 7 per cent in 2010 after the expiry of tax breaks, but growth will remain firm in 2011. It will be supported by job creation and real wage gains and the increased availability of credit. Investment, financed partly through foreign savings attracted by Brazil's considerable market opportunities, will grow at around double the rate of overall GDP growth as a result of infrastructure upgrade requirements, the need to develop the pre-salt reserves and refineries, and investment in hydroelectric dams. Agriculture was supported by technological improvements, more intensive land use and credit extension, and by good fundamentals for soft commodity exports owing to rising demand in the developing world. Manufacturing output was also firm in 2010, reflecting growing opportunities in the domestic and regional markets, but many segments will continue to suffer from competition from imports owing to a strong currency. The services sector continued to be driven by private consumption growth.

### Russia

Russia's federal budget deficit was 2.6 per cent (12.7 per cent excluding oil and gas revenue) of GDP in 2010. Tighter fiscal policy and expenditure cuts may be politically difficult to implement in view of the approaching parliamentary election in late 2011. Despite the fact that the recovery is still fragile, the RCB might raise the policy rates again in coming months to curb growing inflationary pressures. In recent years, the state has extended its control over broad swathes of the economy, but a reduction in interference has been promised. Improved ties with the US culminated in successful bilateral trade talks in October 2010, leading to hopes that membership of the World Trade Organisation might finally be achieved in 2011.

The return to growth in 2010 was underpinned by a large stimulus package, an upturn in external demand and lower interest rates.

However, growth will not receive the same external impetus in 2011. Although all of the main components of domestic demand grew rapidly in 2010, industrial growth was particularly promising, exhibiting a 7.5 per cent expansion. Inflation picked up in the second half of 2010 as the impact of a drought and wildfires drove up food prices. Such prices are expected to remain high into 2011. The current account remained in surplus in 2010, supported by high oil prices.

### India

The budget for fiscal year 2010/11 (April–March) contains plans for tax reforms, fiscal consolidation and a reduction in fiscal stimulus measures in the medium-term. Monetary tightening began in 2010, but the Reserve Bank of India (RBI, the central bank) has been warned by industry to be mindful that higher interest rates could undermine the government's fiscal consolidation plan, encourage volatile capital inflows and exert upward pressure on the value of the rupee.

Real GDP growth was around 8.5 per cent in 2010. This was supported by high savings and investment rates, fast-paced labour force growth and the rapidly expanding middle class. Despite India's current strong growth performance, there are a number of clouds hanging over the economy, including the stubbornly high inflation rate and the wide (albeit narrowing) budget deficit. It is for these reasons that achieving the government's GDP growth target of 10 per cent in 2011 looks unlikely. GDP growth will continue to be constrained by infrastructure bottlenecks, shortages of skilled labour and the difficulties of shifting resources from low productivity agriculture to higher productivity manufacturing. However, India clearly has huge scope for catch-up growth, not only with developed countries but also with other emerging markets.

### China

In response to a rise in activity in the housing market and an acceleration of inflation, the government started to tighten policy again in late 2010. Further incremental tightening is likely in 2011. Fiscal policy started to exert a drag on growth, as the central government attempted to address the risks associated with the recent surge in local government debt. The slower growth for the country's exports, given slowing growth in OECD markets, supported policies of encouraging domestic demand to fuel economic growth. In 2010, the state-owned sector benefited from a far higher level of policy support than the private sector in the economic downturn of 2008–09. Although this support will decline in 2011, the public sector will continue to enjoy preferential treatment, for example in terms of access to credit and support from government policy.

Real GDP growth accelerated to around 10.3 per cent in 2010, from 8.7 per cent in 2009. The acceleration in 2010 was driven by rising activity across all parts of the economy, thanks to lose credit conditions and a government-backed stimulus package that has boosted investment. The slowdown in 2011 will, therefore, reflect the end of stimulus spending and policy tightening to contain real estate investment growth and inflationary pressures – the main challenge to the economy in 2011. Weakening demand in key OECD markets will also serve to dampen export growth. Nevertheless, strong income growth will support consumption, and low real interest rates and loose credit conditions will also encourage big-ticket consumer purchases.

**Table 2**
**Comparison: OPEC and non-OPEC developing countries, 2009–10**

| | 2009 | | 2010 | |
|---|---|---|---|---|
| | OPEC | Non-OPEC | OPEC | Non-OPEC |
| Real GDP growth rate (%) | 1.0 | 2.3 | 3.5 | 6.0 |
| Petroleum export value ($ bn) | 575.3 | 200.3 | 709.0 | 265.3 |
| Value of non-petroleum exports ($ bn) | 195.9 | 2,115.9 | 190.6 | 2,681.2 |
| Oil exports as percentage of total exports | 74.6 | 8.7 | 78.8 | 9.0 |
| Value of imports ($ bn) | 547.3 | 2,457.2 | 602.3 | 3,142.6 |
| Current account balance ($ bn) | 97.9 | 63.9 | 186.9 | –2.1 |
| Average Reference Basket price ($/b) | 61.1 | – | 77.5 | – |
| Crude oil production (m b/d) | 28.7 | 10.3 | 29.2 | 10.5 |
| Reserves ($ bn, excluding gold) | 942.5 | 2,208.2 | 990.3 | 2,457.3 |

***Note:***
*Figures are partly estimated. Non-OPEC DCs do not include China in line with the ECB country groupings.*
***Sources:***
*OPEC Secretariat estimates; OPEC database; IMF, International Financial Statistics; IMF, World Economic Outlook; Economist Intelligence Unit (EIU), country reports; World Bank Development Indicators.*

**Table 3**
**OPEC Member Countries' real GDP growth rates, 2009–10** (%)

| | 2009 | 2010 |
|---|---|---|
| Algeria | 2.4 | 4.0 |
| Angola | 0.6 | 4.5 |
| Ecuador | 0.2 | 2.5 |
| IR Iran | 1.2 | 2.6 |
| Iraq | 4.2 | 5.0 |
| Kuwait | –4.0 | 2.9 |
| SP Libyan AJ | 1.0 | 3.2 |
| Nigeria | 6.0 | 6.5 |
| Qatar | 9.0 | 15.0 |
| Saudi Arabia | 0.1 | 3.6 |
| United Arab Emirates | –2.5 | 2.2 |
| Venezuela | –3.1 | –1.3 |
| **Average OPEC** | **1.0** | **3.5** |

***Sources:***
*OPEC Secretariat estimates; official OPEC Member Countries' statistics; IMF, International Financial Statistics; IMF, World Economic Outlook; Economist Intelligence Unit (EIU) country reports.*

# Oil market developments

## OPEC crude production

OPEC crude oil production, as per the secondary sources, increased by 520,000 barrels per day in 2010 compared to the previous year, to average 29.23 million barrels per day (**Table 4**). The two per cent increase in 2010 was driven mainly by the first and fourth quarters. OPEC's crude oil share of the global oil supply remained relatively steady at 34 per cent in 2010, with a minor decline compared to previous year. The healthy growth of non-OPEC supply in 2010 offset the increase experienced in OPEC crude oil production in terms of the share of global supply.

**Figure 1** represents the year-on-year percentage change in the average of OPEC crude oil production. The increase in 2010 is easily recognized. **Figure 2** displays the various elements of global oil supply, and a growth in total oil production is evident in 2010. A growth of non-OPEC supply in 2010 compared to 2009 is also seen.

## Non-OPEC supply

In 2010, non-OPEC supply experienced a strong growth of 1.12 m b/d compared to the previous year (**Table 5**). The growth was supported by increases in crude, non-conventional oil, biofuels and natural gas liquid (NGL) production. Both conventional and non-conventional production supported the growth of non-OPEC supply equally. The output increase was the highest since 2002 and was supported mainly by supply growth in the US, China, Russia, Brazil, Canada and Colombia. Despite the Macondo accident and its repercussions, US oil supply achieved the highest growth in 2010 compared with all non-OPEC countries.

On a regional basis, total OECD oil supply experienced healthy growth of 210,000 b/d in 2010 to average 19.94 m b/d. The increase was supported by North America, while output from Western Europe and Pacific offset part of the growth. In North America, the US and Canada oil supply experienced strong growth, while Mexico halted the supply decline experienced in the previous year. OECD Western Europe oil supply experienced significant decline in 2010 mainly on

**Figure 1: Year-on-year percentage change in OPEC production, 1995–2010**

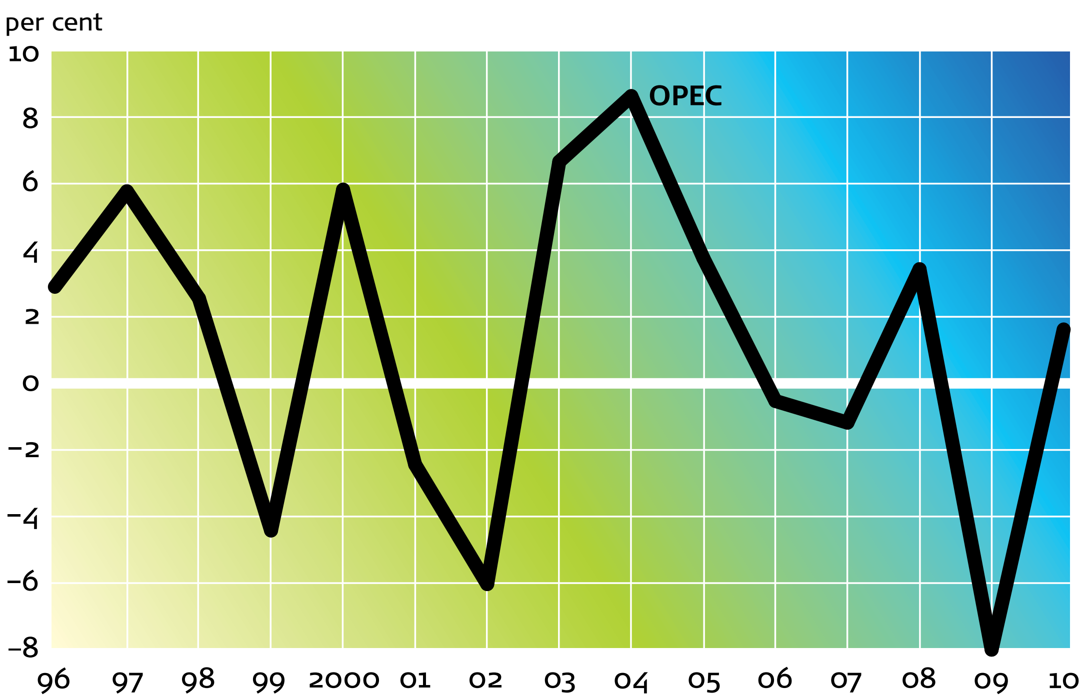
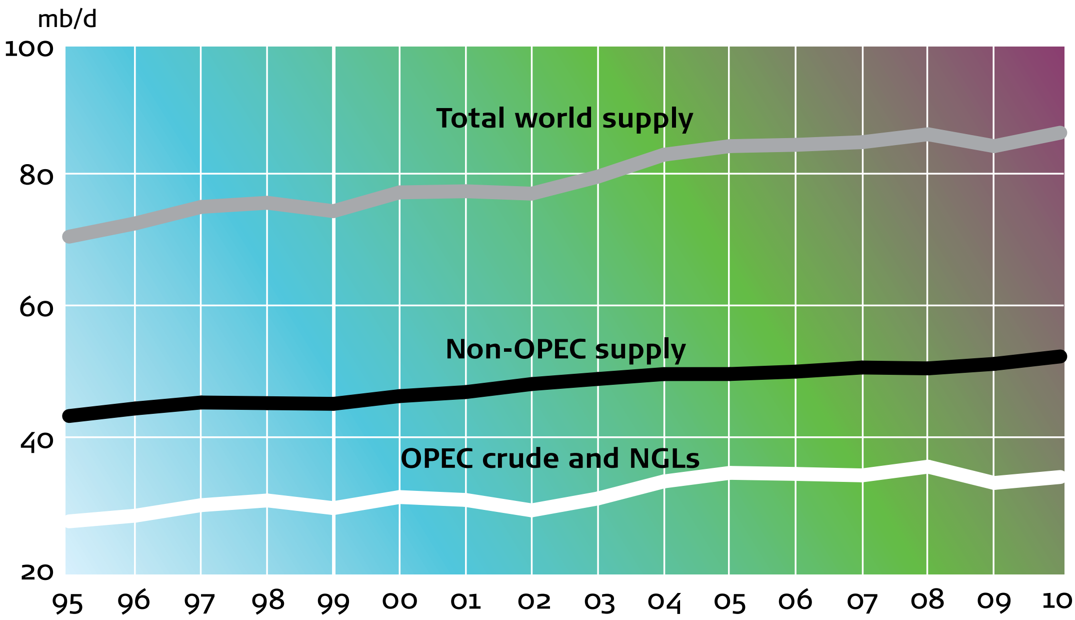


**Figure 2: OPEC[1] and non-OPEC[2] supply, 1995–2010**




***Notes:***
*1. Including OPEC NGLs and non-conventional oils.*
*2. Including processing gains.*

the back of heavy maintenance, technical problems and decline in mature producing areas. OECD Pacific production declined on weather conditions in Australia.

DCs oil supply displayed a growth of 290,000 b/d over the previous year to average 12.74 m b/d in 2010. Growth was supported mainly by South America, mostly Brazil and Colombia. Continued start-ups and ramp-ups of new developments in Brazil and Colombia were observed. Additionally, strong biofuels production in Brazil positively affected the growth in 2010. Middle East supply growth also supported DCs oil supply growth in 2010, as Oman oil supply witnessed relatively healthy growth.

The Former Soviet Union (FSU) oil supply experienced healthy growth in 2010 supported by all major producing countries in the region. FSU oil production increased by 270,000 b/d in 2010 to average 13.22 m b/d. Russia was the main driver of growth with an increase of 220,000 b/d. This was supported by the continued ramp-up of production as well as an improved decline rate.

China oil supply experienced a strong growth in 2010 of 290,000 b/d, the second highest growth among all non-OPEC countries. It represented the highest growth for China in more than 30 years, in terms of volume. It was supported by various new offshore developments in addition to an improved decline rate.

**Table 4**

**OPEC crude oil production, according to selected secondary sources, 2005–10**

(1,000 b/d)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 1Q10 | 2Q10 | 3Q10 | 4Q10 | 2010 | Average change 10/09 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Algeria | 1,347 | 1,364 | 1,358 | 1,377 | 1,268 | 1,266 | 1,257 | 1,253 | 1,257 | 1,258 | –10 |
| Angola | 1,241 | 1,385 | 1,660 | 1,871 | 1,786 | 1,905 | 1,852 | 1,746 | 1,661 | 1,790 | 4 |
| Ecuador | 532 | 536 | 507 | 503 | 477 | 473 | 470 | 475 | 481 | 475 | –2 |
| IR Iran | 3,924 | 3,845 | 3,855 | 3,892 | 3,725 | 3,740 | 3,730 | 3,681 | 3,673 | 3,706 | –19 |
| Iraq | 1,830 | 1,932 | 2,089 | 2,341 | 2,422 | 2,455 | 2,363 | 2,362 | 2,423 | 2,401 | –21 |
| Kuwait | 2,504 | 2,520 | 2,464 | 2,554 | 2,263 | 2,286 | 2,291 | 2,303 | 2,308 | 2,297 | 34 |
| SP Libyan AJ | 1,642 | 1,702 | 1,710 | 1,718 | 1,557 | 1,542 | 1,559 | 1,568 | 1,569 | 1,559 | 3 |
| Nigeria | 2,412 | 2,235 | 2,125 | 1,947 | 1,812 | 1,980 | 1,969 | 2,115 | 2,175 | 2,060 | 249 |
| Qatar | 792 | 821 | 807 | 839 | 781 | 796 | 801 | 802 | 805 | 801 | 20 |
| Saudi Arabia | 9,390 | 9,112 | 8,654 | 9,113 | 8,051 | 8,113 | 8,235 | 8,395 | 8,387 | 8,284 | 232 |
| UAE | 2,447 | 2,540 | 2,504 | 2,557 | 2,256 | 2,275 | 2,301 | 2,317 | 2,322 | 2,304 | 48 |
| Venezuela | 2,633 | 2,539 | 2,438 | 2,487 | 2,309 | 2,291 | 2,297 | 2,285 | 2,275 | 2,287 | –22 |
| **Total OPEC** | **30,693** | **30,532** | **30,171** | **31,199** | **28,706** | **29,122** | **29,125** | **29,300** | **29,336** | **29,222** | **516** |

***Note:***
*Totals may not add up due to independent rounding.*
***Source:***
*OPEC Secretariat assessments of selected secondary sources.*

## Review of world oil demand in 2010

Following the financial crisis during 2009, which was marked by continuous economic deterioration in most OECD and many non-OECD countries, 2010 developed to be much stronger in terms of oil consumption than initially anticipated. The main factors behind this positive evolution were massive governmental stimulus plans around the world and especially in OECD countries, a faster-than-expected recovering world economy and the very low baseline of 2009. For the OECD, the US and North America were the initiators of the oil consumption growth observed during 2010, followed by a surprising smaller increase in the Pacific. However, European oil consumption showed a minor contraction during 2010. All regions in developing countries displayed oil consumption growth during 2010. The most notable growth was seen in South America, the Middle East and Other Asia, while the consumption growth of the African continent was only marginal.

A number of factors, including numerous domestic economic stimuli, allowed China to be the biggest contributor to world oil consumption growth during 2010. The industrial sector — including petrochemicals — along with transport fuels showed the largest increases during the year as a result of an improving economy and increased industrial activity. The petrochemical industry,

**Table 5**
**World supply and demand balance, 2007–10**

| | 2007 | 2008 | 2009 | 1Q10 | 2Q10 | 3Q10 | 4Q10 | 2010 |
|---|---|---|---|---|---|---|---|---|
| **World demand** (m b/d) | | | | | | | | |
| OECD | 49.3 | 47.6 | 45.5 | 45.8 | 45.2 | 46.6 | 46.7 | 46.1 |
| North America | 25.5 | 24.2 | 23.3 | 23.5 | 23.8 | 24.2 | 24.0 | 23.9 |
| Western Europe | 15.5 | 15.3 | 14.5 | 14.2 | 14.1 | 14.8 | 14.7 | 14.5 |
| Pacific | 8.4 | 8.0 | 7.7 | 8.2 | 7.3 | 7.6 | 8.0 | 7.8 |
| DCs | 24.7 | 25.5 | 26.1 | 26.4 | 26.8 | 27.0 | 27.1 | 26.8 |
| FSU | 4.0 | 4.1 | 4.0 | 4.0 | 3.8 | 4.3 | 4.4 | 4.1 |
| Other Europe | 0.8 | 0.8 | 0.7 | 0.7 | 0.6 | 0.7 | 0.8 | 0.7 |
| China | 7.6 | 8.0 | 8.3 | 8.4 | 9.1 | 9.2 | 9.1 | 9.0 |
| (a) Total world demand | **86.5** | **85.9** | **84.6** | **85.3** | **85.5** | **87.8** | **88.0** | **86.7** |
| **Non–OPEC supply** (m b/d) | | | | | | | | |
| OECD | 20.0 | 19.5 | 19.7 | 20.0 | 19.9 | 19.5 | 20.3 | 19.9 |
| North America | 14.3 | 13.9 | 14.4 | 14.7 | 14.9 | 14.9 | 15.3 | 15.0 |
| Western Europe | 5.2 | 4.9 | 4.7 | 4.7 | 4.4 | 4.0 | 4.4 | 4.4 |
| Pacific | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| DCs | 11.9 | 12.2 | 12.5 | 12.7 | 12.7 | 12.8 | 12.8 | 12.7 |
| FSU | 12.5 | 12.6 | 13.0 | 13.2 | 13.2 | 13.2 | 13.3 | 13.2 |
| Other Europe | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| China | 3.8 | 3.8 | 3.9 | 4.0 | 4.1 | 4.2 | 4.2 | 4.1 |
| Processing gains | 2.0 | 2.0 | 2.0 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 |
| Total non–OPEC supply | **50.4** | **50.3** | **51.1** | 52.1 | 52.1 | 51.9 | 52.9 | **52.3** |
| OPEC NGLs + NCF oil | 3.9 | 4.1 | 4.3 | 4.7 | 4.8 | 5.2 | 5.0 | 4.9 |
| (b) Total non–OPEC supply and OPEC NGLs + NCF oil (m b/d) | **54.4** | **54.4** | **55.5** | 56.8 | 56.9 | 57.1 | 57.9 | **57.2** |
| OPEC crude oil production[1] | **30.2** | **31.2** | **28.7** | 29.2 | 29.1 | 29.3 | 29.3 | **29.2** |
| Total supply (m b/d) | **84.5** | **85.6** | **84.2** | 86.0 | 86.0 | 86.4 | 87.2 | **86.4** |
| Balance (stock change and misc.) | **–1.9** | **–0.3** | **–0.4** | 0.7 | 0.5 | –1.4 | –0.8 | **–0.3** |
| **Opening stock level (outside FCPEs)** (mb) | | | | | | | | |
| OECD onland commercial stocks | 2,555 | 2,679 | 2,641 | 2,658 | 2,751 | 2,735 | 2,654 | 2,654 |
| OECD SPR | 1,524 | 1,527 | 1,564 | 1,567 | 1,562 | 1,549 | 1,561 | 1,561 |
| OECD total stocks | 4,079 | 4,206 | 4,205 | 4,225 | 4,313 | 4,285 | 4,215 | 4,215 |
| Oil on water | 948 | 969 | 919 | 919 | 897 | 926 | 871 | 871 |
| **Days of forward consumption in OECD** | | | | | | | | |
| Commercial onland stocks | 54 | 59 | 58 | 59 | 59 | 59 | 57 | 58 |
| SPR | 32 | 34 | 34 | 35 | 33 | 33 | 34 | 34 |
| Total | **86** | **93** | **92** | 94 | 93 | 92 | 91 | **91** |
| Memo items (m b/d) | | | | | | | | |
| FSU net exports | 8.5 | 8.5 | 9.0 | 9.2 | 9.4 | 8.9 | 9.0 | 9.1 |
| (a – b) | **32.1** | **31.5** | **29.1** | 28.5 | 28.6 | 30.7 | 30.2 | **29.5** |

***Notes:***
*1. Secondary sources.*
*NCF: non-conventional fuels.*
*Totals may not add up due to independent rounding.*

especially in Asia (China), marked substantial increases in oil demand during the second half of 2010. In China, in addition to strong oil consumption during 2010 (considered the strongest in the past five years), a significant amount of oil (crude and products) was used to fill up the country's commercial and SPR stocks, especially during the first quarter of 2010.

Nevertheless, the first quarter of the year was disappointing for the OECD and rather slow for the non-OECD in terms of oil consumption. However, it was followed by quite strong second, third and fourth quarters.

World oil demand growth in 2010 is forecast at 2.1 m b/d to average at 86.7 m b/d.

## OECD North America

The developments in the US economy are the most important for oil consumption worldwide. Following a rather weak first quarter, US oil consumption showed signs of improvement during the second and third quarters, particularly in September. Product-wise, US consumption of distillate and residual fuel was the initiator of this increase, while gasoline consumption grew only moderately as a result of low driving mileage. Strong oil demand in the US was the result of stimulus plans adopted by the government. These affected mostly the industrial and financial sectors. Another contributory factor was the very low baseline in oil demand in 2009. These reasons pushed the country's oil demand growth to 380,000 b/d.

As a result of a low baseline and numerous government stimulus packages, Canadian oil consumption displayed a solid growth during 2010, and reached 180,000 b/d. Mexican oil consumption was flat during 2010, with minor increases in the consumption of gasoline and gas/diesel oil that were offset by declines in residual fuel oil consumption. In general, all incentives and stimulus plans taken by the governments of North American countries to support the economy impacted oil demand as of the second quarter of the year and lasted for the rest of the year. Hence, North America's oil demand growth is forecast at 600,000 b/d in 2010.

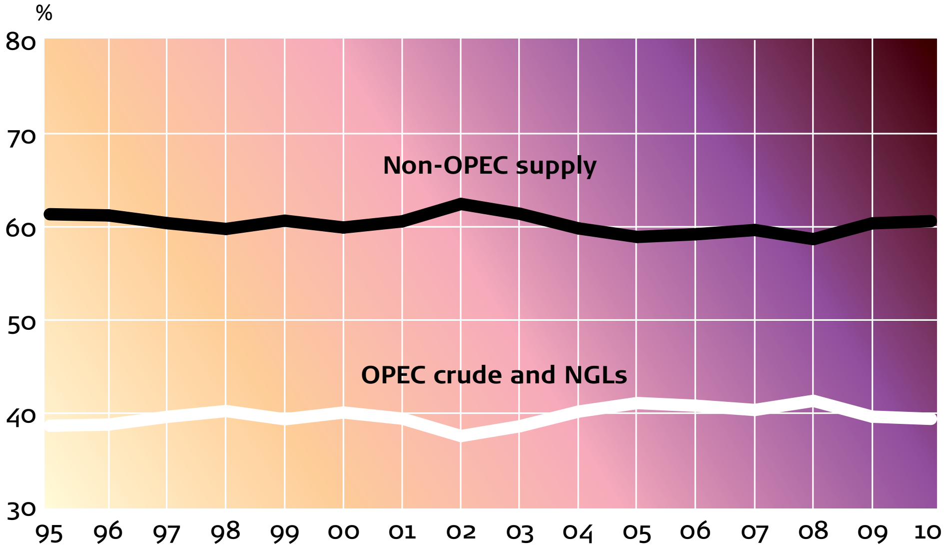
## OECD Europe

The Big Four European countries (Germany, France, Italy and the United Kingdom) have exhibited weak oil consumption during the past seven years. Despite various stimulus plans targeted at lifting economic activities, the picture in oil consumption improved only marginally. Throughout the OECD European countries, the sectors that were hit the most were transport and industrial, resulting in lower consumption for distillates and transport fuel. The German economy managed to come out of the financial crisis quickly and grew by 1.8 per cent in 2010. Germany was the only country among the Big Four to consume more oil during 2010 than the previous year.

## OECD Pacific

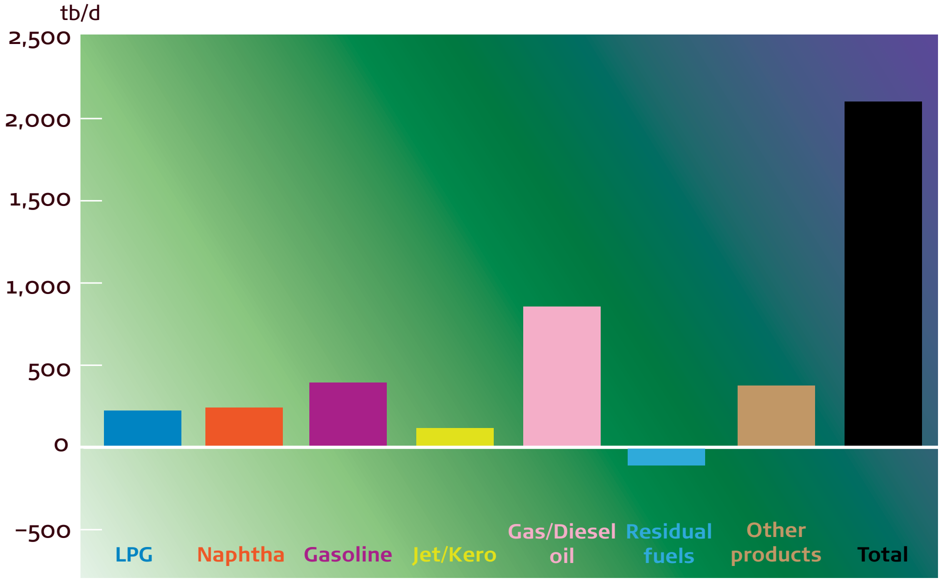
Japanese oil demand has been on a downward trend for the last 16 years resulting not only from a sliding economy, but also from an increase in energy efficiency, energy-related policies and an aging population. Despite all of these factors, 2010 showed a reasonable year-on-year (y-o-y) growth in oil consumption driven mainly by the use of naphtha in the petrochemical industry and the emergency fuel switch to crude burning by power plants. The remaining countries in this region displayed similar upward oil

**Figure 3: OPEC[1] and non-OPEC[2] market share, 1995–2010**




***Note:***
*1. Including OPEC NGLs + non-conventional oils.*
*2. Including processing gains.*

**Figure 4: World oil demand 2010 by main product, y-o-y growth**



consumption trends, although at much lower levels. South Korean oil demand bounced back during the second half of the year and recorded 34,000 b/d growth in 2010. For the total region, oil demand is expected to have grown by 130,000 b/d y-o-y in 2010.

### Developing Countries

In Other Asia, India's oil consumption was driven by transportation (a boom was seen in new car registration) and the industrial sector displayed solid growth during 2010, but was offset by a fuel substitution to gas in the petrochemical and power plant industries. Furthermore, bad weather negatively affected oil consumption in the agricultural sector during the second and third quarters. As a result, India's oil demand grew by less than earlier forecast to achieve a moderate growth rate of 1.9 per cent for the year. Taiwan, Singapore and Malaysia displayed concrete growth as economic activities picked up during the year. Solid growth in most Middle East countries, especially Saudi Arabia and Kuwait, was partly offset by contracting Iranian consumption as a result of lower gasoline consumption. In South America, Brazil, Argentina and Ecuador were the dominating countries in relation to oil consumption growth. In Africa, Algeria, SP Libyan AJ and South Africa accounted for most of the 1.9 per cent growth in oil demand during 2010. The Other Asia region's oil demand grew by 2.7 per cent in 2010, up from 2.3 per cent in 2009.

### Other regions

China consumed 8.95 m b/d in 2010, which accounts for 10 per cent of world oil consumption. China is the second largest oil consumer in the world after the USA. As a result of the enormous growth of the Chinese economy the country's importance in relation to oil consumption increased rapidly during the last decade; during that period the Chinese share of world oil consumption growth averaged 37 per cent or 480,000 b/d. Chinese oil consumption growth during 2010 was 700,000 b/d. This represented the second largest recorded growth in history (the maximum of 1.00 m b/d being recorded during 2004). Although Chinese oil imports were noticeably high, some of these imports ended up in the country's commercial and strategic stocks.

The two main product categories dominating Chinese oil consumption are gasoline and diesel oil. While gasoline is solely used in transportation, diesel usage is divided between industrial, agricultural and transportation sectors. Transportation and industrial sectors are the main drivers behind the remarkable Chinese oil consumption growth. The consumption of jet/kerosene, the biggest share in aviation, is on a steady upward trend as the number of Chinese airports grows significantly. Between 2009 and 2010 alone, there was an increase of 10 per cent (15 new airports were built, taking the country's total to 181). China's aircraft fleet is forecast to reach 4,000 units by 2020, an increase of 280 per cent from a 2008 baseline. Liquefied petroleum gas (LPG) is mainly consumed within the residential sector and mostly in Chinese rural areas. LPG growth during the last four years was moderate as it has been partly switched with natural gas. Naphtha consumption increased significantly during 2010 as a result of Chinese cracking capacity expansion. Fuel oil is the only product on a declining trend as it is switched

**Figure 5: Oil consumption by quarter and region, y-o-y growth**

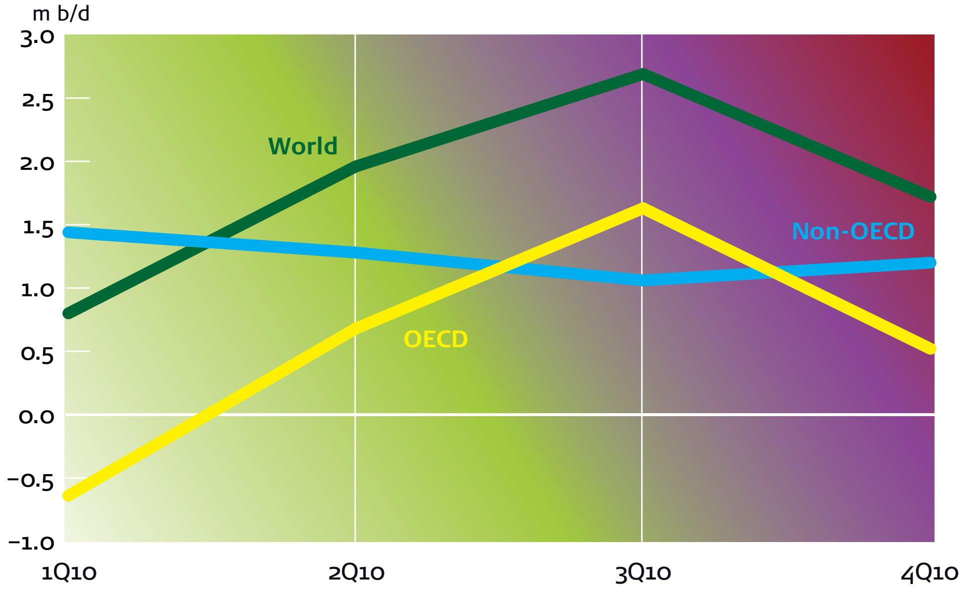



**Figure 6: Non-OECD oil consumption by region and quarter, y-o-y growth**

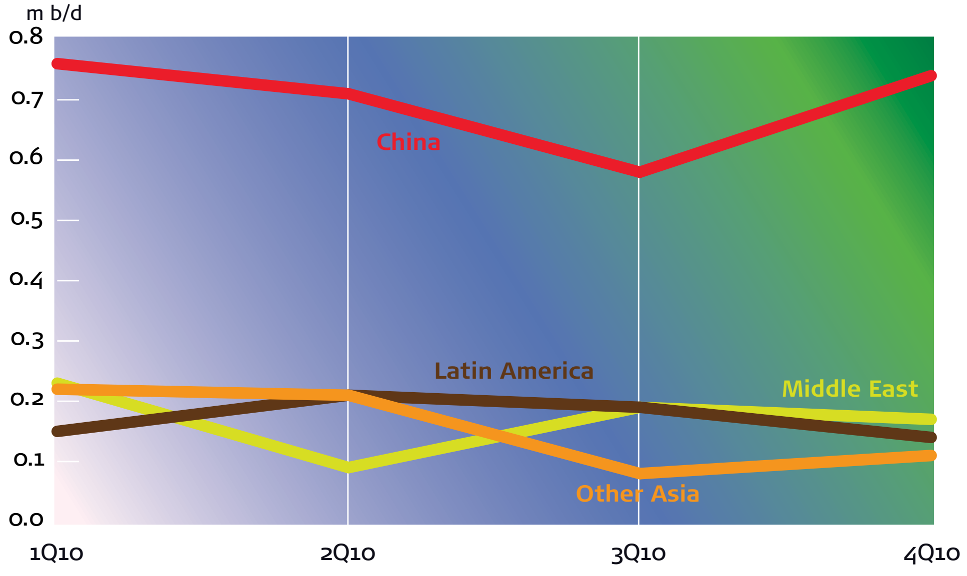
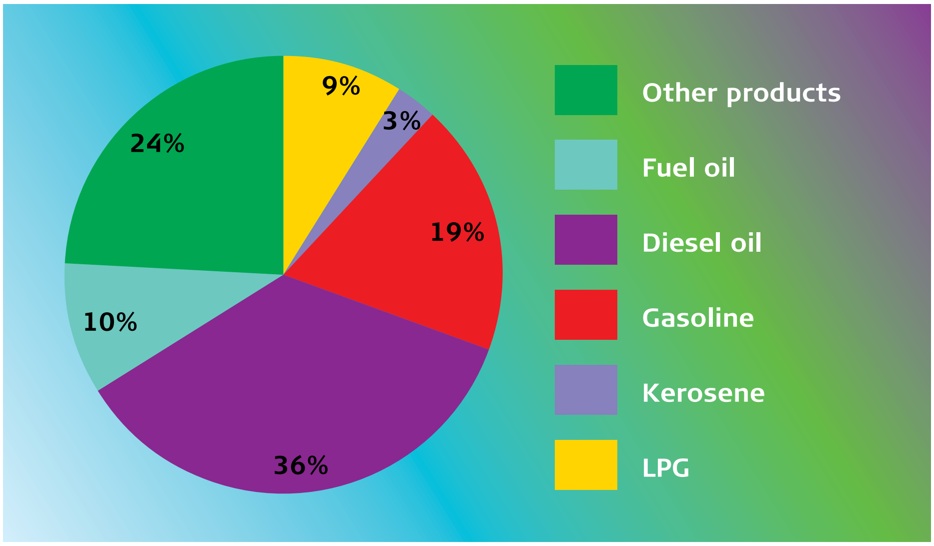


**Figure 7: Middle East oil product demand share, 2010** (%)




with natural gas and the number of refineries that produce straight run fuel oil is declining.

A key factor behind diesel consumption is the growing usage of diesel-fired power generators by domestic industries. While diesel generators are usually expensive to run, they are an effective off-grid source of power. Furthermore, the cutting of power supplies to industries by local authorities to support China's target of reducing carbon dioxide emissions per unit of GDP by 20 per cent between 2006 and 2010 has encouraged the increased usage of diesel generators. Furthermore, it is anticipated that a shortage in electricity supply this year will lead to another increase in diesel power generators; hence, diesel demand growth will be strong again.

While FSU (and specifically Russia) showed some signs of recovery in 2010, Other Europe experienced no improvement in oil consumption during the year and demand continued to decline in 2010.

### Balance of supply and demand

The year 2010 has been one of sharp upward revisions to the forecast for world oil demand and non-OPEC supply. Indeed, world oil demand growth was revised up from an initial forecast of 500,000 b/d to currently stand at 2.1 m b/d for a total of 86.7 m b/d. The main factors behind this positive development are massive government stimulus plans around the world, especially in OECD countries, a faster-than-expected recovery in the world economy and the very low base of 2009. All regions in the Developing Countries displayed increased oil consumption in 2010, the

**Table 6**
**Summarised supply and demand balance, 2008–10** (m b/d)

| | 2008 | 2009 | 1Q10 | 2Q10 | 3Q10 | 4Q10 | 2010 | Growth 10/09 |
|---|---|---|---|---|---|---|---|---|
| (a) Total world demand | 85.93 | 84.57 | 85.28 | 85.55 | 87.79 | 88.02 | 86.67 | 2.10 |
| (b) Non-OPEC supply[1] | 54.42 | 55.49 | 56.77 | 56.91 | 57.08 | 57.86 | 57.16 | 1.67 |
| Difference (a–b) | 31.51 | 29.08 | 28.51 | 28.64 | 30.71 | 30.16 | 29.51 | 0.43 |
| OPEC cude oil production[2] | 31.20 | 28.71 | 29.19 | 29.11 | 29.29 | 29.32 | 29.23 | 0.52 |
| Balance (stock change and miscellaneous) | –0.30 | –0.37 | 0.68 | 0.47 | –1.42 | –0.84 | –0.28 | 0.09 |

***Notes:***
*1. Including OPEC NGLs.*
*2. Selected secondary sources.*
*Totals may not add up due to independent rounding.*

most notable being China which showed the strongest growth in five years. At the same time, OECD consumption turned positive after four consecutive years of negative growth, driven by an improvement in US demand and, to a lesser extent, increased consumption in the OECD Pacific. Western Europe's growth, however, remains in negative territory.

Non-OPEC supply has also been revised up from initial growth of 300,000 b/d to now stand at 1.1 m b/d to average 52.3 m b/d. This growth was supported by the ramp-up of new developments in the Gulf of Mexico and non-conventional oil supply, including biofuels and oil shale. Russia and Brazil also experienced healthy growth of more than 200,000 b/d. In contrast, OPEC NGLs experienced a downward revision from 5.3 m b/d to 4.9 m b/d mainly due to project delays, to represent growth of 550,000 b/d. As a result of all these adjustments, the demand for OPEC crude in 2010 has been revised up by nearly 1.4 m b/d to 29.5 m b/d, 400,000 b/d higher than the previous year.

The demand for OPEC crude in the first quarter of 2010 experienced a drop of around

**Table 7**
**Closing stock level (outside FCPEs)** (mb)

| | 4Q09 | 1Q10 | 2Q10 | 3Q10 | 4Q10 |
|---|---|---|---|---|---|
| OECD onland commercial | 2,641 | 2,658 | 2,751 | 2,735 | 2,654 |
| OECD SPR | 1,564 | 1,567 | 1,562 | 1,549 | 1,561 |
| **OECD total** | **4,205** | **4,225** | **4,313** | **4,285** | **4,215** |

900,000 b/d compared to the same period last year, while the second quarter saw positive growth of 400,000 b/d, followed by a significant increase of 1.5 m b/d in the third quarter. However, the demand for OPEC crude in the fourth quarter is expected to have increased by 600,000 b/d.

Averaging 29.2 m b/d in 2010, OPEC crude oil production was lower (by 300,000 b/d) than the demand for OPEC crude and this resulted in a drop in inventories. On a quarterly basis, implied inventory builds stood at 700,000 b/d in the first quarter and 470,000 b/d in the second quarter. Due to improving demand, the third quarter saw a stock draw of 1.4 m b/d, while the fourth quarter is estimated to have seen a stock draw of 800,000 b/d.

### Stock movements

OECD total inventories, including commercial and government stocks, saw an increase of 10 mb at the end of 2010 over the previous year. OECD total inventories reached their highest level of 4,346 mb in August before declining to 4,215 mb at the end of December. This build is attributed to OECD commercial inventories which increased by 13 mb, ending the year at 2,654 mb, while government stocks or strategic petroleum reserves (SPR), declined by 3 mb to stand at 1,561 mb at the end of 2010,

As expected, the SPR in the US remained unchanged at 727 mb after reaching full capacity at the end of 2009. The US administration decided to cancel plans for an SPR expansion, claiming that the current emergency oil stockpile reserve is adequate. Indeed, the current US SPR could meet 82 days of US crude imports, assuming crude imports average around 8.9 m b/d. The US SPR comprises 293 mb of sweet crude and 434 mb of sour crude. The SPR declined by 6 mb to 422 mb in OECD Europe and by 2 mb to 407 mb in OECD Pacific.

On a regional basis, North America and OECD Pacific commercial inventories experienced a build of 30 mb and 7 mb respectively, while OECD Europe saw a draw of 25 mb. A build of around 150 mb in OECD commercial inventories took place in the first eight months of the year, while between August and December OECD commercial stocks fell by 134 mb. This led to an overall build of around 13 mb for the year 2010. The drop during the last months of the year could be attributed to the improvement in OECD demand, since the second half of the year saw a substantial increase in oil consumption averaging around 1.2 m b/d. Cold weather in the Northern Hemisphere called for more crude processing and year-end tax considerations were also behind the drop.

At the end of 2010, OECD commercials finished the year at 33 mb above the five-year average. The bulk of the overhang came from North America, which saw a surplus of 58 mb, while OECD Europe and OECD Pacific saw a draw of 12 mb and 13 mb respectively. However, the overhang in total OECD at the end of December was less than the 114 mb observed in August. This reduction came mainly as a result of improved OECD demand resulting from the recovery in the economy of OECD countries. However, the increase in non-OPEC supply and OPEC NGLs of almost 1.7 m b/d in 2010 contributed to OECD commercial inventories remaining at high levels.

The build in OECD commercial inventories in 2010 was concentrated in crude, whereas product stocks saw a decline. However, both crude and product stocks remained at comfortable levels, showing a surplus of around 20 mb and 30 mb above the five-year average respectively. Crude inventories saw a build of 24 mb and 6 mb in North America and OECD Pacific, respectively, while those in OECD Europe declined by 6 mb. On the product side, stocks in North America and OECD Pacific rose by 6 mb and 2 mb, respectively, while those in OECD Europe dropped by 18 mb. This left total OECD commercial product stocks around 11 mb lower at the end of 2010 when compared to the end of 2009.

Despite some signs of improvement in OECD demand, OECD commercial inventories in days of forward cover remained at around 57.2 at the end of December, about five days above the historical average. It should be noted that days of forward cover have fallen from 60.1 days during August 2010. This reflected stronger OECD consumption. However, this level is not expected to reduce further since OECD commercial stocks in absolute terms remained high and demand in the OECD is expected to increase only slightly during 2011. Thus, OECD commercial stocks in days of forward cover are expected to remain well above the seasonal norm.

The latest estimation for floating storage for December 2010 shows a decline in crude and products from a combined peak of 133 mb in December 2009 to 36 mb and 26 mb, respectively, for a total of 62 mb. This decline came on the back of a narrowing contango structure in the market, as well as a global rise in oil demand. The overall oil stock overhang, including on-shore and off-shore, declined to 95 mb at the end of December 2010, from nearly 160 mb in April 2010, but such stocks remain at high levels. High inventories on a global scale could be seen as a fundamental factor in preventing a surge in oil prices which was underpinned by huge speculative activities in the non-physical market.

### The refinery industry

A sharp improvement in oil products demand was seen in 2010 and this allowed the refinery business to partially recover the ground lost during the previous year. The refining margin for WTI crude at the US Gulf Coast in January was $5.3 per barrel. This rose to around $10/b by the end of the year. The European market experienced weak margins during the summer, but recovered during last quarter, and refining margins for Brent crude at Rotterdam averaged around $3.6/b. In Asia, the situation was brighter and despite new refinery capacity added during the last years, stronger demand allowed refining margins for Dubai crude in Singapore to increase from minus $0.3/b in January to $2.5/b in December.

Product market sentiment was dampened by persistently high inventories on both sides of the Atlantic over the peak driving season. However, moderated refinery runs and a French strike resulted in stock draws in gasoline and distillates over the third quarter.

The major driver for the product market developments in 2010 was middle distillates. As the economy recovered, distillate demand across the world was boosted, while the middle distillate market exhibited some volatility, mainly in May, due to temporary bearish economic sentiment. However, the colder-than-expected weather during the winter season and the economic recovery has increased both heating oil and diesel demand across the world. This has kept the middle distillates market stronger. In addition, the market received further support during the fourth quarter from the jump in Chinese diesel demand for power generation.

The gasoline market's performance in 2010 was relatively good, despite high inventories. In the US, a combination of early seasonal gasoline demand and the lower cost of crude oil helped to push margins higher during the first and second quarters. This encouraged US refiners to increase runs to over 90 per cent in July, which caused stock builds during the peak of the driving season. This then forced US refiners to cut their throughputs.

The fuel oil market showed some signs of recovery during 2010, due to higher bunker sales and additional demand for power generation.

Refinery utilization rates in the US increased by 2 per cent in 2010, having surged during the driving season but then fallen back on reduced margins. They averaged 85 per cent of capacity.

European refiners maintained moderated utilization rates in an effort to protect margins by keeping the distillate and gasoline market in balance in the face of the inflow of middle distillates from Russia and limited gasoline export opportunities to the US. Refinery utilization rates in Europe stood at around 84 per cent, dropping below 80 per cent during the French strike.

In Asia, Japanese refineries were running lower in the second quarter (at 70 per cent of capacity) due to the maintenance season and poor refinery economics. However, this level increased to 90 per cent at the end of the year. Meanwhile, Chinese and Indian refineries ran at high throughput levels, encouraged by stronger demand in the region.

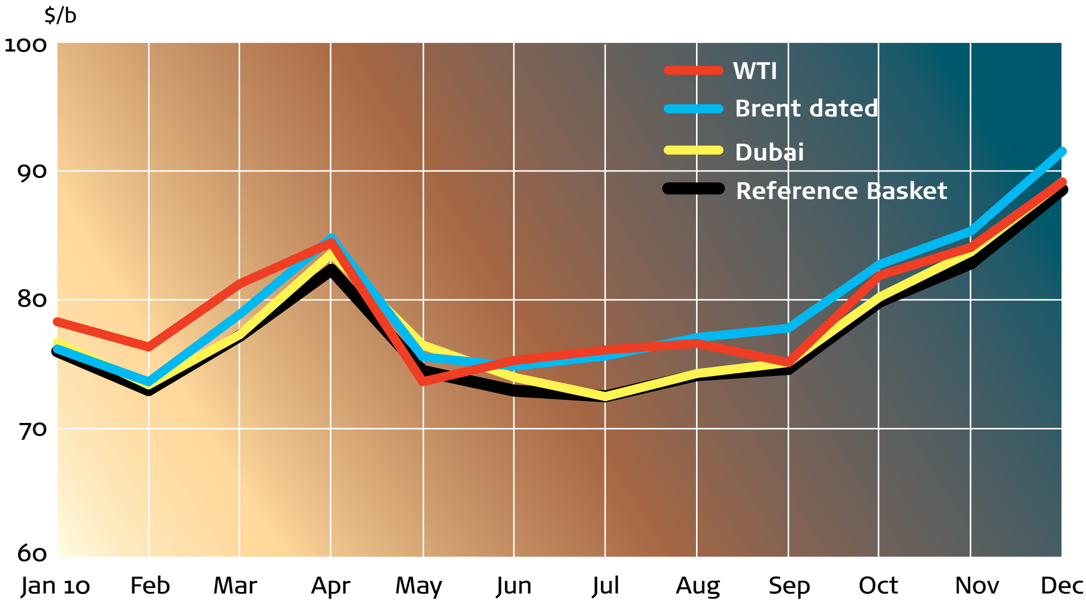
Looking ahead, the economic recovery will provide support for product demand and moderated refinery runs will lend some support to product prices. However, ample spare refining capacity across the board could limit any sharp upside for refinery margins.

## Transportation

In the tanker market, on average, all spot freight rates increased in 2010 compared to the previous year. During the first half of 2010, dirty and clean spot freight rates experienced a healthy increase, supported partially by the rise of global oil production and deliveries. Additionally, low bunker prices in 2009 compared to the previous year, among other factors, reduced the World Scale flat rate for 2010, which, in turn, supported freight rates in early 2010. However, spot freight rates declined in the second half of the year, partially on tonnage availability. Overall, the dirty spot freight rate achieved an annual increase in 2010 of between 40 per cent and 70 per cent. Clean spot freight rates increased by between 40 per cent and 60 per cent.

Very large crude carriers (VLCC) spot freight rates experienced an increase of 66 per cent on average for all reported routes in 2010, compared to the previous year. During the first half of 2010, VLCC spot freight rates increased 116 per cent for voyages from the Middle East to Eastern destinations, compared to the same period a year earlier. Rates increased by 94 per cent and 106 per cent for VLCC delivering from the Middle East to Western destinations and from West Africa to Eastern destinations during the same period, respectively. The healthy increase of rates was supported by the increased World Scale flat rate. Additionally, improved tonnage demand, as well as increased global production, further supported the increase. However, tonnage availability pressured rates

**Figure 8: Crude oil price movements on monthly basis, 2010**




in the second half, supported by the reduction of floating storage capacity and rapidly growing tanker fleets. Therefore, VLCC spot freight rates experienced only a modest increase in the second half of the year. Rates for VLCC operating on the Middle East to Eastern destination increased by 30 per cent in this period, compared to the same period of 2009.

The Suezmax and Aframax spot freight rates experienced a similar movement to the VLCC rates in 2010. On average, Suezmax and Aframax spot freight rates increased by 52 per cent and 53 per cent respectively in 2010 compared to the previous year. During the first half of the year, Suezmax and Aframax spot freight rates increased partially on the back of the World Scale flat rate, as well as on increased tonnage demand. Additionally, weather delays and such like in different locations further supported tonnage demand. Rates saw lower increases in the second half of 2010 compared to the same period of 2009.

## Crude oil price movements

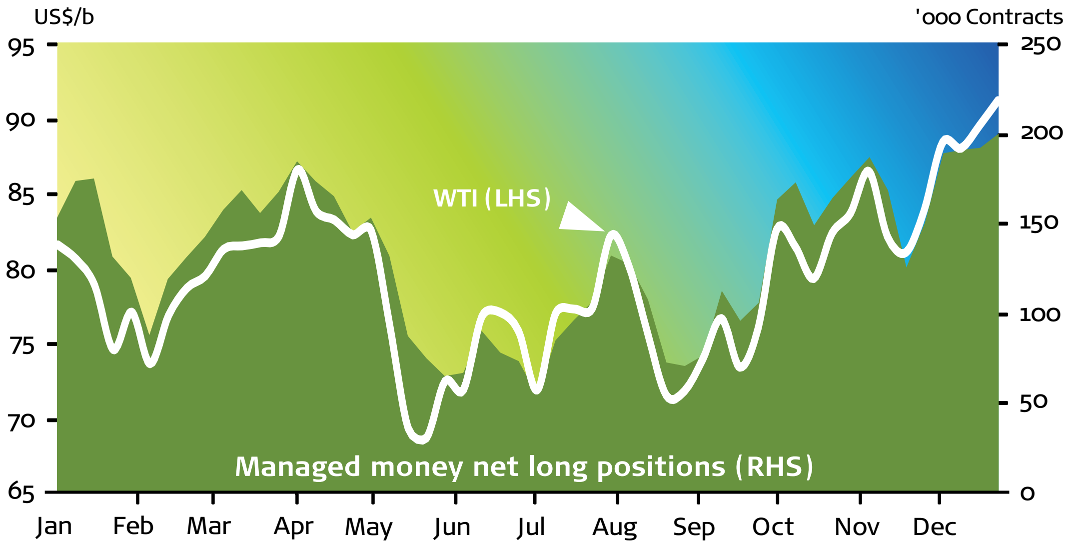
The OPEC Reference Basket (ORB) moved within a range of around $70–90/b in 2010, to average $77.45/b, the second highest level ever after the $94.45/b of 2008. That constitutes an increase of $16.3/b, or 26.8 per cent, from the previous year. The increase in the Basket was attributed to bullish sentiment in the crude oil market fuelled by better macroeconomic sentiment, increasing oil demand and growing investment in paper markets, where the role of speculators remained noticeable.

**Table 8**
**Average monthly spot prices for selected crudes, 2010** ($/b)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **OPEC Basket** | **76.01** | **72.99** | **77.21** | **82.33** | **74.48** | **72.95** | **72.51** | **74.15** | **74.63** | **79.86** | **82.83** | **88.56** | **77.45** |
| Arab Light | 76.46 | 73.32 | 77.24 | 82.75 | 75.50 | 73.84 | 72.63 | 74.21 | 74.55 | 79.93 | 83.32 | 89.24 | 77.82 |
| Basrah Light | 75.74 | 72.25 | 77.17 | 81.35 | 73.15 | 72.09 | 72.14 | 73.39 | 73.70 | 79.36 | 82.14 | 88.09 | 76.79 |
| Bonny Light | 77.39 | 75.04 | 80.40 | 86.14 | 76.87 | 76.00 | 77.04 | 78.82 | 79.65 | 84.35 | 86.83 | 93.08 | 81.07 |
| Es Sider | 76.14 | 73.59 | 78.85 | 84.49 | 74.87 | 73.65 | 74.84 | 76.27 | 77.15 | 82.60 | 84.93 | 91.13 | 79.13 |
| Girassol | 76.78 | 73.95 | 79.45 | 84.38 | 75.53 | 74.85 | 74.78 | 76.55 | 77.25 | 82.55 | 85.80 | 91.36 | 79.53 |
| Iran Heavy | 75.72 | 72.54 | 76.93 | 82.09 | 74.09 | 71.83 | 71.07 | 73.20 | 73.58 | 78.99 | 82.24 | 87.81 | 76.74 |
| Kuwait Export | 75.69 | 72.27 | 76.29 | 81.64 | 74.23 | 72.03 | 70.69 | 72.42 | 72.92 | 78.10 | 81.59 | 87.25 | 76.32 |
| Marine | 77.07 | 73.91 | 77.35 | 83.62 | 76.58 | 73.97 | 72.54 | 74.48 | 75.26 | 80.31 | 83.41 | 88.98 | 78.18 |
| Merey | 71.27 | 68.47 | 70.65 | 73.12 | 65.86 | 65.10 | 65.99 | 67.19 | 66.91 | 71.21 | 73.07 | 77.30 | 69.70 |
| Murban | 78.19 | 75.22 | 79.18 | 85.38 | 78.57 | 75.90 | 74.42 | 76.12 | 76.93 | 82.20 | 85.36 | 91.06 | 79.94 |
| Oriente | 72.94 | 69.38 | 72.11 | 75.45 | 68.62 | 69.19 | 68.72 | 69.27 | 70.69 | 76.42 | 77.45 | 82.99 | 72.82 |
| Saharan Blend | 76.79 | 74.54 | 79.70 | 84.99 | 75.67 | 75.05 | 76.49 | 78.22 | 78.95 | 83.90 | 86.28 | 92.46 | 80.35 |
| **Other OPEC crudes** | | | | | | | | | | | | | |
| Arab Heavy | 75.60 | 71.98 | 75.87 | 81.13 | 73.72 | 71.19 | 69.59 | 71.42 | 71.88 | 76.98 | 80.62 | 86.11 | 75.56 |
| Dubai | 76.69 | 73.40 | 77.31 | 83.59 | 76.49 | 73.99 | 72.49 | 74.28 | 75.13 | 80.22 | 83.72 | 89.17 | 78.10 |
| Dukhan | 77.79 | 74.80 | 78.51 | 84.76 | 78.39 | 75.39 | 74.01 | 75.54 | 76.48 | 81.42 | 84.56 | 90.20 | 79.36 |
| Forcados | 77.53 | 75.00 | 80.75 | 86.39 | 77.48 | 77.01 | 76.66 | 78.57 | 78.95 | 84.31 | 87.10 | 92.64 | 81.06 |
| Iran Light | 75.62 | 72.87 | 77.70 | 82.70 | 73.21 | 73.13 | 73.39 | 75.06 | 76.82 | 82.32 | 84.38 | 90.60 | 78.18 |
| Tia Juana Light | 74.66 | 72.87 | 77.50 | 81.67 | 72.04 | 71.65 | 72.74 | 74.07 | 72.60 | 77.91 | 80.14 | 85.97 | 76.22 |
| Zueitina | 76.39 | 73.94 | 79.20 | 84.99 | 75.47 | 74.45 | 75.59 | 77.12 | 77.95 | 83.00 | 85.58 | 91.78 | 79.72 |
| **Other non-OPEC crudes** | | | | | | | | | | | | | |
| Brent, dated | 76.19 | 73.64 | 78.90 | 84.79 | 75.57 | 74.85 | 75.64 | 77.07 | 77.80 | 82.75 | 85.33 | 91.53 | 79.60 |
| Isthmus | 76.10 | 74.06 | 79.00 | 83.42 | 73.73 | 73.41 | 74.30 | 75.50 | 74.16 | 79.58 | 82.03 | 88.17 | 77.86 |
| Minas | 79.82 | 76.12 | 81.60 | 90.24 | 82.47 | 78.87 | 75.59 | 77.93 | 79.47 | 83.35 | 85.96 | 94.98 | 82.28 |
| Oman | 77.01 | 73.85 | 77.72 | 83.67 | 76.75 | 74.18 | 72.59 | 74.57 | 75.43 | 80.44 | 83.91 | 89.24 | 78.34 |
| Suez Mix | 73.12 | 70.04 | 74.00 | 79.70 | 70.42 | 71.47 | 70.91 | 72.58 | 74.63 | 78.76 | 81.97 | 86.88 | 75.40 |
| Tapis | 79.93 | 76.93 | 81.58 | 87.40 | 78.63 | 77.32 | 77.63 | 79.11 | 80.62 | 86.48 | 90.05 | 96.08 | 82.74 |
| Urals | 76.09 | 72.84 | 77.04 | 82.51 | 74.10 | 74.37 | 73.80 | 75.45 | 77.39 | 81.53 | 84.74 | 89.74 | 78.39 |
| WTI | 78.30 | 76.34 | 81.25 | 84.44 | 73.65 | 75.29 | 76.11 | 76.62 | 75.14 | 81.89 | 84.08 | 89.15 | 79.42 |
| WT Sour | 76.50 | 74.50 | 79.26 | 82.38 | 72.28 | 73.22 | 73.90 | 74.44 | 73.05 | 79.34 | 80.93 | 86.65 | 77.27 |
| **Differentials** | | | | | | | | | | | | | |
| Bonny L–Arab H | 1.79 | 3.06 | 4.53 | 5.01 | 3.15 | 4.81 | 7.45 | 7.40 | 7.77 | 7.37 | 6.21 | 6.97 | 5.51 |
| Bonny L–Saharan B | 0.60 | 0.50 | 0.70 | 1.15 | 1.20 | 0.95 | 0.55 | 0.60 | 0.70 | 0.45 | 0.55 | 0.62 | 0.72 |
| Brent–WTI | –2.11 | –2.70 | –2.35 | 0.35 | 1.92 | –0.44 | –0.47 | 0.45 | 2.66 | 0.86 | 1.25 | 2.38 | 0.18 |
| Brent–Dubai | –0.50 | 0.24 | 1.59 | 1.20 | –0.92 | 0.86 | 3.15 | 2.79 | 2.67 | 2.53 | 1.61 | 2.36 | 1.50 |

**Notes:** *As of January 2009, the Venezuelan crude BCF-17 was replaced with Merey.*
*Monthly average based on daily quotations.*
**Source:** *Secretariat assessments; direct communications; Platts.*

**Figure 9: Managed money net long positions: NYMEX WTI futures and options, 2010**




However, while the OPEC Basket averaged almost $77.5/b, it is worth noting that monthly averages for the period May–September were below $75/b. The weakness of the Basket began in May, when it moved within a wide range of $67–84/b, showing a loss of $7.85, or 9.5 per cent, from April. This came amid bearish market sentiment due to ample supply, high crude oil and product inventories in OECD countries and renewed concerns about economic growth, particularly in the Euro-zone, and the resulting implications for oil demand. The ORB continued its downward trend in June, before it started to recover slightly in July. But the average price for the third quarter of $73.76/b was the lowest since $67.60/b recorded in the third quarter 2009. The Basket strengthened sharply in the last quarter of 2010 to stand at an average of $83.88/b, which corresponds to a gain of more than $10/b from the previous quarter.

After five monthly gains, the ORB hit an average of more than $88.5/b in the last month of 2010. That was the highest since the $96.85/b of September 2008, prior to the start of the financial crisis. The strong recovery in the last quarter of 2010 was supported by positive macroeconomic sentiment around the globe and signs that crude oil demand was growing faster than expected, even in OECD countries that saw their demand shrink in 2009. In addition, prices were lifted by a brisk surge in heating oil demand because of cold weather in Europe and most of the US.

All Basket components strengthened further in 2010, particularly light crudes and Oriente, which showed higher growth than the average of the Basket. Ecuador's Oriente saw the largest gain of more than 30 per cent. African crudes, particularly Algerian Saharan Blend and Libyan Es Sider, rose by around 28.9 per cent. Heavier crudes, among them Venezuelan crude, Kuwait export, Murban and Qatar Marine, showed lower increases. The stronger gain in ORB Brent-related crudes compared with other components resulted from the significant improvement in Brent prices, particularly since the beginning of the third quarter. This came on the back of reduced supplies because of oilfield maintenance and disruptions in Nigerian oil pipelines. Another contributing factor was investors' sharp increase in interest in Brent futures contracts. A record high of more than 38 million contracts of the front-month ICE Brent were traded in 2010, up 46 per cent from a year earlier, compared with an increase of 27 per cent for Nymex WTI. In absolute numbers, however, Nymex WTI trading volume remained much higher.

Among investors, money managers (the key speculators group) have significantly increased their activity in the paper market and their impact on price movements has risen accordingly. As can be seen from **Figure 9**, speculators' net long crude oil futures positions on Nymex and the price of WTI continued to move in the same direction. Net long positions hit a record high of more than 202,000 positions in the last week of December, a week when WTI front-month moved above $91/b, the highest since early October 2008. This coincided with the start of the financial crisis.

# OPEC celebrates 50$^{th}$ Anniversary with an Exhibition

Thousands of people joined in OPEC's Golden Jubilee celebrations by attending the Organization's 50th Anniversary Exhibition which took place between 20 and 29 September in Vienna.

Officially opened by OPEC Secretary General, Abdalla Salem El-Badri, in the presence of Members of the OPEC Board of Governors and invited guests, the exhibition was designed to depict the other side of OPEC by showcasing the diverse cultural delights of its 12 Member Countries. Understandably, therefore, it was billed as the 'main event' of OPEC's 2010 celebratory activities and also proved to be a resounding success.

The 10-day event which ran daily from 10am to 8pm at the stately Kursalon, located on the edge of Vienna's historic Stadtpark, was attended by all sections of the public — from high-level dignitaries and Ambassadors to tourists and students, all wishing to know more about an Organization that first made its home in the Austrian capital 45 years ago.

OPEC Member Countries had colourful displays at the Exhibition, in addition to the stands of the OPEC Secretariat, the OPEC Fund for

*Pictured above are (left to right): Dr Elisabeth Vitouch, President, European Affairs Commission of Vienna City Council, Mohammad Saad Al Sallal, Kuwait's Ambassador to Austria, Mrs Taous Feroukhi, Algeria's Ambassador to Austria, Ahmed M Alghaber, Libya's Governor for OPEC, Suleiman J Al-Herbish, Director-General, OPEC Fund for International Development, Abdalla Salem El-Badri, OPEC Secretary General, Dr Majid A Al-Moneef, OPEC Governor for Saudi Arabia, Siham Abdulrazzak Razzouqi, OPEC Governor for Kuwait, Dr Falah J Alamri, OPEC Governor for Iraq and Dr Diego Stacey Moreno, Ecuador's Ambassador to Austria.*

International Development (OFID) and the City of Vienna. The event gave people the chance to look at Member Countries' photographs and artefacts, dance to their music, watch their films and taste their food

Apart from the wealth of information available at individual stands, the undoubted highlight of the event was the live performances arranged on planned 'Member Country days'. The performances, two of which were held each day, comprised musical bands, dancers and singers in traditional costumes, as well as colourful fashion shows. They provided a fascinating window on the cultural splendour and history of OPEC Member Countries.

And not even high winds and torrential rain, which battered the Kursalon on the sixth day of the event, could put a stop to proceedings, even though a special bodega tent, erected to host the performances, had to be hastily repaired.


*Gabriela Gonzalez receives the OPEC Secretary General, Abdalla Salem El-Badri, at the Venezuelan stand. He is joined by Saudi Arabia's OPEC Governor (left), Dr Majid A Al-Moneef, and Libya's Governor for OPEC, Ahmed M Elghaber (right).*

*OPEC Secretary General, Abdalla Salem El-Badri, seen at Qatar's stand with, on his right, Qatar's Governor for OPEC, Issa S Al-Ghanim and, on his left, Envoy and Permanent Representative of the State of Qatar, Ali Khalfan Al-Mansouri.*


*Joined by Ahmed M Elghaber, Libya's Governor for OPEC, Secretary General Abdalla Salem El-Badri visits Nigeria's stand. Also pictured are Miss Siham Abdulrazzak Razzouqi, Kuwait's Governor for OPEC (right), Angela Agoawike, Head of OPEC's Public Relations and Information Department, and Uzo Ejidoh (far left).*

*Mr. Ali Khalfan Al-Mansouri,*

In officially opening the Exhibition, El-Badri pointed out that the event effectively showcased another side of OPEC's Member Countries — their cultural, ethnic and historical richness.

"The photographs, national costumes, music and food on display will help visitors learn more about each country and I hope visitors will find the displays here both educational and enjoyable," he told assembled guests.

Others who spoke at the opening ceremony were Austria's Minister of Foreign Affairs Dr Michael Spindelegger, SP Libyan AJ OPEC Governor and Chairman of the OPEC Governing Board, Ahmed M Elghaber, and Dr Elisabeth Vitouch, President, European Affairs Commission of Vienna City Council, who represented the City of Vienna.

El-Badri went on to thank all the people who were responsible for putting the Exhibition together, including Member Country Ambassadors, the Staff of the OPEC Secretariat, officials in Member Countries, as well as OFID. The generous financial support for much of the Exhibition was provided by the National Oil Companies of some OPEC Member Countries.

Bringing the exhibition to a close, Dr Hasan M Qabazard, OPEC's Director of Research said: "It has been an exciting ten days and an important event for the Organization … it has helped us to commemorate the founding of our Organization 50 years ago, and we are proud to have been able to share these friendships with the city of Vienna and its residents and in doing so, we hope to have helped the world understand us better."

All Member Countries, as well as OFID and the City of Vienna, received special souvenirs and certificates for having taken part in the event.

*OPEC Secretary General, Abdalla Salem El-Badri, pictured at Kuwait's stand with Kuwait OPEC National Representative, Ms Nawal Al-Fuzaia and (l–r) Tareq A Amin, Mohamad Al-Shamari, and Ali Hassan Murad of the Kuwait Petroleum Corporation.*

*At Ecuador's stand, OPEC Secretary General, Abdalla Salem El-Badri, with (second right) Ecuador's Ambassador to Austria, Dr Diego Stacey Moreno, the Head of OPEC's Energy Studies Department, Oswaldo Tapia, and Gloria Polastri of the Ecuadorean Embassy in Vienna.*


A selection of images depicting a variety of cultural expressions from Member Countries displayed during OPEC's 50th Anniversary Exhibition.


Angola





Music and

A Celebration
Music

# Activities of the Secretariat

*For an electronic overview of the activities of 2010, visit the multimedia section of the OPEC website (www.opec.org/opec_web/en/multimedia/350.htm) to watch Year in Review 2010.*

## Office of the Secretary General

The year 2010 saw continuity in the leadership of the Secretariat as Abdalla Salem El-Badri entered his second three-year tenure as Secretary General.

2010 also marked OPEC's 50th Anniversary and a variety of events were organized throughout the year in Member Countries and in Vienna, Austria, to celebrate this milestone.

As usual, the activities of the Office of the Secretary General were concerned with satisfying the requirements of the Chief Executive in the execution of his duties. In so doing, considerable time, energy and resources were expended in preparing documentation for and servicing meetings of the Conference, the Ministerial Monitoring Sub-Committee (MMSC) and the Board of Governors (BoG), as well as a variety of other high-level meetings.

In addition to coordinating the preparation of reports and documentation for submission to the various ministerial and gubernatorial gatherings, the Staff of the Office of the Secretary General was occupied with minuting these meetings, writing précis of the discussions that took place and preparing summaries of the decisions taken. In addition, formal, edited minutes of the deliberations were prepared for distribution to Ministers, Governors and Management, as appropriate.

The Office of the Secretary General was also concerned with coordinating the Secretariat's protocol as well as organizing the many missions conducted by the Secretary General during the year.

## The Legal Office

As the legal arm of the Secretariat, the Legal Office (LO) contributed to the promotion of the rule of law within the Organization and in its relation with governments, organizations, enterprises and individuals.

It monitored, reported, maintained and defended the legal claims and interests of the Organization on internal and international legal issues.

On internal issues, the office provided legal advice to the Organization in matters pertaining to OPEC's governing bodies. It did so by providing legal opinions through the Secretary General on issues relating to and arising from the OPEC Conference and the BoG, and by providing ad hoc reports to the Secretary General and governing bodies as and when required.

The LO also analyzed, advised on, recorded and followed up legal aspects of documents prepared for — and decisions taken by — the governing bodies relating to the Organization's rules and procedures. It provided legal advice and expertise to the Secretary General and management on issues which included:

- Interpretation of Staff regulations as they affected Staff benefits and welfare;
- Drafting and review of contracts and agreements with external entities and individuals;
- International legal issues on which it reverted to the Secretary General and, through him, to the governing bodies from time to time;
- Relations between OPEC and the Republic of Austria regarding amendments to the Host Agreement.

The LO also undertook missions which dealt with international legal issues of significance to OPEC, submitting mission reports to the Secretary General about the implications of such international legal developments on the Organization and its MCs. These included:

- International Seabed Authority;
- Intellectual property, patents, trade marks and designs;
- Antitrust litigation;
- Contractual issues.

The LO also participated in programmes organized by the Secretariat such as the 10th Multi-Disciplinary Training Course (MDTC) and made presentations to law students visiting the Secretariat.

In addition, the LO supported the 50th Anniversary celebration by ensuring that the numerous contracts the Organization had to sign in the course of the year were legally sound and adequately represented the interests of OPEC and its Member Countries.

Furthermore, the LO contributed to the general work of the Secretariat through its membership of important committees and task forces including:

- The Contracts Committee;
- The Personnel Committee;
- The HQ Premises Project Team;
- Strengthening of the Secretariat Task Force;
- Seminar Steering Committee;
- Seminar Scientific Technical Committee;
- Long-Term Strategy Task Force;
- Energy Subsidies Task Force;
- Training Task Force;
- Wheel of Time Documentary Committee.

## Research Division

The activities undertaken by the Research Division (RD) during 2010 concentrated on drawing up the Secretariat's new Long-Term Strategy (LTS), finalized and approved in October 2010, and on the Review of the Medium-Term Programme of the Secretariat, which was conducted during the year. All activities undertaken were in line with the key priorities and areas of focus identified in these important documents.

The LTS incorporates extensive research and analysis and provides a clear and consistent framework for the Organization's future. It defines three overall objectives, identifies the key challenges that the Organization faces now and in the future and explores a number of scenarios that depict plausible, consistent and contrasting futures in terms of the energy scene. It also formulates the elements of strategy required to successfully achieve the Organization's objectives and adequately address identified challenges.

The LTS builds on OPEC's 50 years of experience in the global oil market. It will be instrumental in guiding OPEC as it continues fuelling world prosperity and ensuring market stability for the benefit of all, while safeguarding the legitimate interests of its Member Countries.

OPEC's new LTS is timely, given the major upheavals the world and the oil market have faced in recent years. The onset of the global financial crisis in 2008 and the ensuing economic recession, which was the deepest and most widespread in more than six decades, have clearly had — and continue to have — a significant impact upon the oil market. In fact, global demand for oil declined over two successive years (2008–09), a situation not seen since the early 1980s.

The development of the LTS involved defining the objectives that the Organization will strive to achieve and identifying and analyzing the key challenges facing OPEC that may hinder the attainment of such objectives. Three overall scenarios were subsequently developed, depicting plausible contrasting futures in terms of the energy scene in order to gain a better, deeper and broader understanding of the possible key drivers shaping the future. This also provided an opportunity to further assess the implications of potential technological developments and climate change mitigation policies and measures.

The LTS sets objectives in relation to the long-term petroleum revenues of OPEC Member Countries; fair and stable prices; the role of oil in meeting future energy demand; OPEC's share of world oil supply; the stability of the world oil market; the security of a regular supply to consumers; the security of world oil demand for producers; and seeking to secure and enhance the collective interests of Member Countries in global negotiations and future multilateral agreements.

**Core activities**

During 2010, the RD, operating under the Director, Research Division (DRD), and comprising the technical departments of Petroleum Studies, Energy Studies, Multilateral Relations*, and Data Services, the latter of which includes the Information Centre, carried out its regular activities, which are as follows:

- To provide analytical support to Member Countries for decision-making related to energy policy (including identification of the key driving forces underlying global, regional and national oil and energy markets) and detailed analysis of current and forecast developments. Also, to monitor energy policies, relevant technological developments and changing structures in the international petroleum industry;
- To gather, compile and provide up-to-date statistical data and information as a reliable basis for the analysis of relevant energy developments, as well as to develop corresponding IT programmes;
- To follow relevant debates and policy developments in international fora and in multilateral negotiations, in order to assist Member Countries in drawing-up positions.

The RD continued its close monitoring and analytical assessment of oil market developments. During 2010, the market enjoyed a period of relative stability compared to the deep recession and hard adjustment process experienced in 2009. Crude oil prices remained within a fairly well-established range of between around $70 and $90 per barrel and supported the economic rebound. Crude prices closely followed movements in equity markets and the US dollar. Higher liquidity (with low interest rates) provided more investment opportunities in the futures market and an increased inflow of investment funds into the paper market was observed across all major commodities.

The recovery in the world economy in 2010 was remarkable, with a higher-than-expected growth rate of 4.7 per cent experienced, attributed primarily to substantial fiscal and monetary stimuli and the strength of the emerging economies. The uneven pace of growth has, however, become increasingly evident, with lagging growth in the OECD area, offset by particularly strong economic performance in the emerging markets of Asia. This was led by China and India, but also supported by Brazil, in particular. The BRICs — a major force behind global growth — together contributed almost half of GDP growth in 2010.

In 2010, global oil demand, along with growth in the OECD region, revived following the

* *At the 134th Meeting in September, the Board of Governors approved the re-designation of the Multilateral Relations Department as the Environmental Matters Unit.*

contraction seen during the previous two years. The steady increase in non-OPEC supply, in addition to higher OPEC production, was more than sufficient to accommodate growth in demand. Also, excess global refining capacity and adequate production capacity in OPEC contributed to market stability.

In its short-term market analysis, the OPEC Monthly Oil Market Report (MOMR) focused on concise oil market information and on emerging economies. Feature articles concentrated on timely key market issues, such as regional oil demand trends, seasonal market challenges, economic prospects and uncertainties, refinery outages and oil inventory policies in emerging economies.

The reports submitted to the governing bodies on short-term oil market developments served as the basis for timely and effective decision-making. This was particularly important during a period characterized by new, short-term challenges to oil market stability in a complex and volatile setting. In this respect, the analytical reports submitted to the various decision-making organs of the Organization covered all key aspects of the market, including oil demand and supply, economic and financial developments, the downstream sector, developments in the tanker market, storage, stock movements and oil trade. In addition, detailed analysis of current issues was undertaken. For example: on benchmarks and pricing formulas in the US market, financial regulatory reform, proposed Commodity Futures Trading Commission energy position limits and exemptions, equity and exchange rate market developments, policy and technology in the transportation sector, refinery industry prospects, assessment of product market developments on refinery closures, short-term floating storage, the impact of the contango price structure on commercial stock holdings and prospects, estimation of non-OECD oil storage capacity, the pace and sustainability of growth in the OECD area, rebalancing growth in China, and the impact of the US Gulf oil spill on deep offshore supply prospects.

The report on the impact of inventories on oil price volatility examined the relationship between inventory levels and the crude oil price, this being a subject that has been of concern for several years given the rise in both oil prices and inventories. The study highlighted the view that inventory levels will continue to play a crucial role in the market. The report identified future areas of work, such as to examine crude and products inventories separately, and recommended the analysis be extended to areas outside the OECD, in particular to major emerging economies.

Besides monitoring developments in the oil and product markets in the short-term, the ongoing research in energy studies, in modelling efforts and in market-oriented and technology studies, continued in 2010. This was accompanied by in-depth analysis and forecasts focusing on the downstream sector (such as refining capacity rationalization) and on improved modelling of demand (for example in relation to marine bunker fuel demand).

As part of the ongoing assessment of the underlying drivers of future oil supply and demand, the OPEC World Energy Model (OWEM) has been further developed and continues to provide supporting analysis for the Oil Outlook to 2030: The OWEM Report. Granularity has been improved in a number of important areas, particularly in the industry sector, where petrochemicals have been separated from other industry uses of oil.

The fourth edition of the World Oil Outlook (WOO) was produced and released in November 2010. It gave detailed consideration to the prospects for oil demand and supply up to 2030, with emphasis on investment challenges and especially those relating to uncertainties about the appropriate amount of investment required. The publication explored the impact on price volatility of the emergence of oil as an asset class and noted that recovery from the global recession had been swifter than previously thought, while remaining fragile. It noted that prices remained relatively stable throughout 2010, that demand growth re-emerged, led by developing countries, and that the investments needed to meet expected future demand and maintain a sufficient level of spare capacity are taking place.

The publication showed that the faster-than-expected recovery had a positive impact on world demand, with the reference case projecting an increase of 5.4 million barrels per day in the five-year period to 2014 (800,000 b/d higher than the five-year projection of 2009). Nevertheless, demand in 2030, at 105.5 m b/d, remains essentially unchanged from the previous year's projection. With OECD demand continuing to fall, the increase in global demand is being driven by growth in developing countries; by Asia in particular. However, the publication also emphasized the many uncertainties linked to long-term energy drivers, such as the possible rise of protectionism, structural impacts of the global financial crisis, energy policies and technology. In the long-term, non-OPEC supply is projected to rise, as increases in non-crude sources are stronger than the slight crude supply declines. With NGLs becoming an increasingly important element of liquids supply, projected to reach almost 16 m b/d by 2030, and the outlook for biofuels and non-conventional oil also slightly stronger than previously assessed, only a modest increase is expected to be needed in the crude supply. OPEC crude oil spare capacity is also expected to remain at comfortable levels. The publication looked closely at the downstream sector. Increased medium-term capacity surplus in the OECD, linked to growing long-term capacity requirements in developing countries — particularly in the Asia-Pacific region, the hub of capacity growth — indicates an emerging regional reshaping and reordering of refining capacity and ownership in the coming years.

Due to the importance of seaborne transportation in the world economy and its impact on the petroleum market, a model was developed to project international marine bunker-fuel demand, in light of changing international environmental regulations affecting this fast-growing sector. Growth from 1980 to 2008 was higher than in the global transport sector or in world oil demand, and has risen to 3.3 per cent per annum in recent years. The study Modelling Marine Bunker Fuel Demand evaluated the impact of the International Maritime Organization's MARPOL amendment on the refining sector and the running cost of vessels on petroleum product markets.

Recent developments in the downstream sector, projections for future requirements and the adequacy of downstream investments were explored in detail in the study entitled Oil Downstream Outlook to 2030, using a downstream optimization model (WORLD). In addition to those findings reflected in the WOO, this study emphasized that in future the proportion of crude oil that needs to be refined per barrel of incremental product will continue to decline, as the share of biofuels, GTLs, CTLs, NGLs and other non-crude liquids in the total supply continues to rise, roughly doubling in volume and proportion between 2005 and 2030. By this time, the share of crude oil will have fallen from around 90 per cent to below 80 per cent. Consequently, although the opportunity for growth in global crude oil refining from 2010 to 2030 is projected at 10 m b/d, the rise of non-crudes in total supply remains a significant factor impacting refining expansion. The study also illustrated that, due to increased requirements for middle distillates, hydro-cracking will dominate future conversion capacity. Around 70 per cent of this capacity will represent desulphurization units built to produce cleaner diesel fuel. It also indicated that global oil trade volumes will continue to grow, albeit at a much slower pace than anticipated before the economic slowdown began in 2008. In the period to 2015, total oil trade is estimated to increase by almost 4 m b/d to 55 m b/d, compared to 2009 levels, although a shift in the structure of this trade is seen. Crude oil exports are expected to decline by around 1 m b/d, while the trade in oil products is projected to increase by almost 5 m b/d. From 2015 to 2030, however, trade in both crude and products will expand, with inter-regional oil trade seen to increase by more than 11 m b/d, reaching almost 66 m b/d.

Demand for refined products in the OECD region has been declining for several years, accelerated by the recent economic recession. Consequently, profit margins in the OECD refining industry have been squeezed. The average utilization rate has dropped considerably and capacity rationalization has become necessary. This has been exacerbated by capacity expansion in the non-OECD regions such as Asia and the Middle East. An assessment of the ongoing refining capacity rationalization in the OECD region and refining prospects in the medium-term were the subject of the study entitled Prospects for Oil Refining Capacity Rationalization.

On the basis of key indicators, the performance developments and strategies of the major international oil companies were assessed in a report entitled The Performance of International Oil Companies. Corporate indicators focused on profitability relative to capital employed, capital structure and shareholder return metrics. Segmental financial indicators focused on revenues, earnings, capex and segmental returns. Finally, operating indicators accounted for production growth rates, reserves and reserve replacement, and the costs of finding and developing new oil and gas reserves. The study also examined the exploration activities of the majors, as well as rising upstream costs.

**Technical cooperation among the R&D institutions in MCs**

The 5th Annual Meeting of OPEC Research and Development Officials convened in the OPEC Secretariat in Vienna, Austria during May 2010. In addition to reports from working groups, the meeting dealt with a number of organizational issues and adopted work programmes. It also reviewed the draft terms of reference for a proposed study on intellectual property rights. The status of OPEC's participation in the International Energy Agency (IEA) Greenhouse Gas Programme, which has focused most of its efforts on carbon capture and storage, was also reviewed.

**Multilateral fora**

The Secretariat's active engagement in multilateral fora continued in 2010, with the preparation of several reports analyzing the status and evolution of the positions of the key players in the context of climate change negotiations. It also attended (and provided a coordination platform in preparation for) meetings of the United Nations Framework Convention on Climate Change (UNFCCC), in Bonn, Vienna and Cancun and attended several preparatory meetings in advance of negotiation sessions in Bonn, Germany and in Tianjin, China. This culminated in COP-16/CMP6 held in Cancun in December. Some of the important reports prepared included the following:

- Impact of climate mitigation measures upon OPEC: MS-MRT model-based scenarios;
- Report on the current status of climate change negotiations under the UNFCCC;
- Coordination Meeting of Member Country Experts on Climate Change and Meeting with Mexican Delegation;
- Forests and Emissions, LULUCF and REDD in Climate Change Negotiations;
- The run-up to COP-16, negotiation issues and expectations from Cancun;
- The energy industry and financial institutions in a carbon constrained world.

Furthermore, the Secretariat presented developments in environment-related issues through its Quarterly Environmental Newsletter.

**Enhanced dialogue**

The RD is increasingly involved in dialogue, in particular with the International Energy Forum (IEF) and through the OPEC-EU Dialogue. It is also in dialogue with other producers and has close technical relations and cooperates with other institutions such as the International Monetary Fund (IMF), the World Bank and the International Energy Agency (IEA).

Positive developments in the consumer-producer dialogue are clearly reflected in the ongoing expansion of the activities of the IEF. The Secretariat's involvement in these activities has been increasing, in particular since November 2009, when the second meeting of the High Level Steering Group (HLSG) invited OPEC and the IEA to identify specific areas of practical and tangible cooperation with the IEF. In the Cancun Ministerial Declaration, issued at the close of the 12th IEF in March 2010, the IEF "welcomed the constructive efforts of the IEF, IEA and OPEC to identify specific areas of cooperation between them, that are in line with and supportive of the recommendations of the Extended High Level Steering Group." Within the scope of the agreed joint activities, close cooperation with the IEA and the IEF continued throughout 2010. It focused on:

- A shared analysis of energy market trends and outlook. In line with this, extensive interaction between the organizations was necessary to prepare for the IEA/IEF/OPEC Symposium on Energy Outlooks, held in Riyadh in January 2011;
- The physical and financial markets' linkages and energy markets regulation. This culminated in the IEA/IEF/OPEC workshop on 'Understanding the new dynamic: how the physical and paper markets for energy interact' and the IEA/IEF/OPEC forum on 'Energy Market Regulation: Clarity and Coordination', held in London in November 2010;
- The Joint Organizations Data Initiative (JODI). The Secretariat continued its active stance in promoting oil data transparency and harmonizing oil data definitions through JODI. The Secretariat attended the JODI Inter-Secretariat Meeting, held in December in Cancun.

During 2010, G-20-related activities were focused on. There was considerable interaction with the IEA, the OECD and the World Bank when drawing up the joint report 'Analysis of the scope of energy subsidies and suggestions for the G-20 Initiative'. It was prepared for submission to the G-20 Summit Meeting, held in Toronto, Canada, in June 2010, following the request of the G-20 leaders. The RD participated in three technical meetings at the IEA in Paris, France and at the G-20 Energy Experts Meeting in Washington, USA, in this respect.

In addition, under the auspices of the IEF, the Secretariat attended meetings of the HLSG in Riyadh, Saudi Arabia in February and in London, UK in November. Also, it attended: the 1st Meeting of the Industry Advisory Committee in preparation for the 5th International Energy Business Forum; the 1st Meeting of the International Support Group, in preparation for the 13th IEF; as well as the 22nd Meeting of the IEF Executive Board in London in June and the 23rd Meeting of the IEF Executive Board in Riyadh in December.

OPEC also attended the regular biannual meetings (Spring and Autumn) of the IMF/World Bank in 2010. The main discussion points during these meetings were the serious challenges facing the world economy during the gradual, but uneven, recovery experienced following the financial crisis of 2008. In particular, fiscal consolidation, the serious indebtedness of advanced countries and speculation, indicating the need for improved financial regulation, were focused on. These meetings not only offer direct insight into such high-level deliberations, but also provide an influential platform to express the Organization's point of view.

Within the OPEC-EU Energy Dialogue, the 7th Ministerial Meeting was held in Brussels in June 2010, and work continued, or was finalized, on joint studies being conducted in preparation for two workshops to be held in 2011 on:

- The impact of the use of biofuels on oil refining and fuels specifications;
- The impact of the economic crisis on oil investments.

In addition, a study on the feasibility of an OPEC-EU Energy Technology Centre was conducted.

Dialogue with non-OPEC producers has also been pro-actively encouraged. This was called for in the LTS, through various international meetings and exchanges of information — in particular through JODI and the IEF, and through the attendance of non-OPEC producers as Observers at OPEC Conferences in recent years. Efforts are being made to encourage more active support of OPEC's market-stabilization policies.

OPEC continued to maintain close technical relations and to cooperate with other institutions throughout the year. The Organization participated in two meetings of the Executive Committee of the Greenhouse Gas R&D Programme, and in the 10th International Greenhouse Gas Control Technology Conference (GHGT10) in Amsterdam in September.

A number of high-level visits were made to the Secretariat under the policy of promoting dialogue. These included delegations from StatoilHydro, the Global Carbon Capture and Storage Initiative, the Institute of International Economics of Japan, the Kuwait Institute of Scientific Research, Morgan Stanley London, the Stanford Graduate School of Business, Rintaro Tamaki, Vice Minister of Finance of Japan, JETRO, Total France, and the OPEC Fund for International Development.

**Database and communications**

Data services (such as expanding, updating and validating statistical databases) and application systems development and maintenance were ongoing during 2010. Such activities aimed at accommodating the needs of the Secretariat and MCs. Emphasis was placed on system administration and support to facilitate the access of MC users to the intranet. This was facilitated through improving navigation and the introduction of a global search utility, download facility and user support features.

All software systems developed in house were maintained and expanded, as necessary.

The Application Portfolio Assessment Project was carried out and viewed as a strategic instrument to steer and streamline future applications development. In addition, the Electronic Document and Records Management System was introduced.

The modernized and improved OPEC website was re-launched in March 2010, enhanced with a powerful Web Content Management System and a mobilized version, for use with smart-phones, etc. Preparatory steps have been taken with respect to the Cumulus Web Photo Gallery, which will be deployed in 2011.

The quality and timeliness of data received from MCs was further enhanced through the ongoing process of improving the flow of regular oil data and energy statistics. The expanded statistical data coverage has been beneficial in enhancing the Secretariat's reports and analyses.

The quality of data is assured through careful validation, consistency checking and analysis. Delivery of key and up-to-date information to end-users is facilitated through regular dissemination of electronic reports, including publications such as the Annual Statistical Bulletin (ASB), the Quarterly Energy and Oil Statistics and the Annual Report (AR). Activities to expand data-exchange directly through electronic means and sources also increased.

The Summer Fellowship Programme and Internship Programme were implemented. Research topics included: modelling the relationship between crude oil inventories and prices; the refining industry in Southeast Asia; the implications of the European Emission Trading System for the refining industry; future refining technologies; the causes of oil price volatility; demand forecasts for China and India; modelling the impact of electric/hybrid vehicles on the transportation sector; the impact of financial investments on commodity prices; and the implications of emission reduction commitments on financial investment and technology development.

The 10th Multi-Disciplinary Training Course was held in April 2010 at the OPEC Secretariat.

Some important events at which the RD delivered an address or background paper included: the 9th Arab Energy Conference, the Offshore Arabia Conference and Exhibition, the 18th Middle Eastern Petroleum and Gas Conference, the 32nd Oxford Energy Seminar and the G-20 Energy Security Workshop.

The RD also worked in collaboration with the Public Relations and Information Department to prepare speeches delivered by the President of the Conference, the Secretary General, OPEC Ministers, DRD and other officials of the Organization.

## PR and Information Department

2010 was OPEC's 50th Anniversary. Accordingly, in addition to the Public Relations and Information Department's regular activities — explaining OPEC perspectives on the issues faced by the oil industry to the press, industry stakeholders and the general public alike and conveying OPEC's message about market stability — the department was tasked with planning and implementing a year-long programme of special events and publications to mark the OPEC milestone.

PRID's activities were undertaken by the three sub-units of Design/Production, Editorial/Publications, and Public Relations. The department used various means, including speeches, press releases, briefings, publications, audio-video presentations, exhibitions, advertisements and more, to take OPEC's message to the public. It also provided editorial, audio-visual and design and production support to other departments in furtherance of the Secretariat's objectives.

**The OPEC Bulletin**

During 2010, PRID continued to source materials for, edit and produce the Secretariat's flagship publication, the OPEC Bulletin. It continued to profile developments in OPEC MCs, focusing on their oil and gas sectors, as well as their social infrastructural development.

This year, special mention must be made of the OPEC Bulletin Golden Jubilee Edition, an extensive publication that marked the Organization's 50$^{th}$ Anniversary by carrying fascinating interviews with a number of individuals instrumental to the Organization's success, goodwill messages from key industry stakeholders and much more. In addition, every edition of the OPEC Bulletin during 2010 was used to promote the OPEC Golden Jubilee, carrying the anniversary logo.

Coverage given to Ecuador surrounding the 158$^{th}$ (Extraordinary) Meeting of the Conference convened in Quito, Ecuador, on 11 December 2010 — as well as in-depth articles about the 12$^{th}$ International Energy Forum Ministerial Meeting in Mexico — exemplified PRID's engaging style of communicating OPEC's activities to the public.

The Arts and Life section — which features arts, leisure and sports stories from OPEC's host country, Austria, and MCs — continued to entertain and inform, as well as helping to enhance the relationship of the Organization with the authorities of the Austrian Government and the Vienna City Council.

The Bulletin also continued its comprehensive coverage of Ministerial conferences, external conferences, workshops (internal and external), in-house trainings, and more. In addition, reports were featured that focused on the global economy, as well as on the volatility within the oil market. The Bulletin also featured exclusive interviews with key stakeholders in the energy industry — such as Ministers and heads of international organisations — and tracked developments in other areas like alternative energy, climate change and carbon capture and storage, among others. It also documented the continuing dialogues of the Organization with institutions such as the IEF and the EU.

In addition, a new regular feature entitled Bite with the Bulletin was introduced to profile Vienna-based energy industry professionals and contribute to the energy debate.

**The Annual Report**

The Annual Report chronicles the annual activities of the Secretariat. It is produced by PRID with input from the Research Division (RD) and other departments. PRID was responsible for the editorial, design and production of the publication, and contributed to the writing of some sections. The department was also responsible for printing and distribution.

**The Annual Statistical Bulletin**

The Annual Statistical Bulletin (ASB) provides a comprehensive review of OPEC's historical data. PRID's involvement in the editing and production processes of the publication — as well as its co-operation with the RD — once again contributed significantly to its success in 2010.

**The World Oil Outlook (WOO)**

Though coordinated by the RD's Energy Studies Department, PRID handled the editorial, design and production elements of the publication, and contributed to the writing of some sections of the report. The department was also responsible for the logistics of its printing and distribution, as well as its presentation to the world's media.

**The OPEC Energy Review**

The OPEC Energy Review is the quarterly academic journal of the Organization. PRID worked hard to further enhance its standard and, in conjunction with the General Academic Editor, sourced articles that were in turn reviewed by the RD and published by Oxford, England-based Wiley-Blackwell.

**Speechwriting**

During 2010, the demand for speeches for the Secretary General, the President of the Conference and other Ministers and key officials of the Secretariat was again high. Speeches prepared by PRID, in conjunction with the RD, highlighted how OPEC pursued market stability and the security of demand and supply, among other key messages.

The messages were delivered by OPEC officials at conferences, seminars and workshops across the world and such events attracted top-level participants from all sectors of the energy industry, as well as the associated areas of government, academia and media. Events included those organized by OPEC — the two regular OPEC Conferences at the Secretariat in Vienna, and one Extraordinary Meeting of the Conference in Quito, Ecuador — as well as those organized jointly with other groups — such as meetings of the EU/OPEC Dialogue and with the IEF. There were also many external gatherings at which OPEC speeches were delivered.

Given that 2010 was OPEC's 50th Anniversary, speeches were also prepared for the Secretary General that stressed the importance of the event.

Since most of the audiences were specialized groups, PRID worked hard, sometimes, to very tight deadlines, to ensure that the speeches were of the highest quality.

**Publication in external media**

A substantial number of articles and interviews were drafted for the Secretary General during 2010. These were used on requests from external publications. Many external requests were specifically related to OPEC's 50th Anniversary. Often, the department worked closely with the RD on these requests.

**News monitoring**

During 2010, PRID continued to deliver its extensive and expanding news monitoring activities, which cover international news, daily media commentary and analysis concerning OPEC and its MCs, the oil industry and more general energy-related fields. PRID maintained its subscription to Meltwater and Factiva, the news-aggregating instruments that cover the media of MCs and consuming countries. The department also produced the Daily News

Summary and What the Papers Say, which helped the Secretariat and MCs remain up-to-date with what had been reported about the Organization, its MCs, the oil sector and the energy industry in general.

**Press relations**

The department continued to provide support to members of the press, attending to their enquiries, facilitating interviews, assisting with accreditation and the acquisition of visas (where Conferences were held outside Vienna) and producing background publications for Conferences. Several media briefings were also organized for the Secretary General. Given that 2010 was OPEC's 50th Anniversary year, the number of interview requests from the media more than doubled compared to previous years, as the world sought insights and historical reflections.

**Briefings**

During 2010, 55 groups of students (a total of more than 1,300 individuals) from universities, institutions and organizations around the world visited the Secretariat and were briefed on the Organization, its aims and objectives and its overall structure. OPEC publications, gifts and DVD's (documenting the Organization's activities) were distributed.

More generally, during 2010, numerous different groups visited the Secretariat. These included high-level government officials, diplomats, civil servants, and staff of international institutions and organizations, as well as high school and university students. Groups were received by the Secretary General, the Director of Research, the Head of the Public Relations and Information Department or Staff of PRID, depending on their category. All the groups were given briefings about OPEC, highlighting the Organization's aims and objectives, and describing its overall structure. Some of the groups received technical briefings from the RD. All of the visitors left the Secretariat with various OPEC publications and audio-visual materials publicizing the activities of the Secretariat and official visitors were photographed and images were distributed, where necessary.

**Website**

During 2010, OPEC launched a modern, well-designed and very user-friendly website with new sections, in order to reflect the Organization's updated and enriched content more effectively.

PRID continued to update the content of the website regularly with the OPEC Basket Price data, speeches, press releases, graphs, publications, reports, news items, commentaries, MCs' facts and figures, vacancies, videos, photographs and various announcements related to the Organization and its activities. As for the period under review, the number of website pages reached roughly 2,000.

A new Content Management System was installed, as were new applications. A new and comprehensive site map was also created to make information on the website easier to find, and a modern search engine was added. A new photo library was also created. All this resulted in positive feedback from around the world.

Various OPEC events were transmitted live on the website, including meetings and press conferences. In addition, several exclusive interviews were carried live and later posted as videos on demand. These included interviews with the OPEC Conference President, the Secretary General, several OPEC and non-OPEC Ministers, as well as heads of international organizations. Also carried live were the Anniversary Quiz for MCs, the press conference for the official release of the ASB and the WOO, as well as pre-conference roundtables with journalists and analysts on the programme Oil Market Insight.

PRID continued to monitor the Web Trends Analysis Report for different sections of the website. The information was used to enhance content. The number of views of OPEC website pages amounted to nearly 3.5 million during 2010.

**Audio-visual**

The installation of the audio-visual (AV) studio started in January 2010 and was completed in March. During the year, however, PRID continued working on AV planning for the new OPEC premises, working with AV companies, consultants, design companies and architects.

Live streaming was used for the multimedia section of the OPEC website as was live broadcasting, and on demand videos were created. These related to: the 156th Meeting of the Conference in March, including the inauguration ceremony of the new OPEC premises; 157th Meeting of the Conference in October; 158th (Extraordinary) Meeting of the Conference in December in Quito, Ecuador; the 4th IEBF and 12th IEF meetings in Cancun, Mexico in March; the 7th OPEC-EU Energy Dialogue in Brussels in June; the 50th Anniversary Symposium in October in Riyadh, Saudi Arabia; the 50th Anniversary Exhibition in Kursalon, Austria in September; the OPEC Quiz 2010 in June, Vienna, Austria; and numerous other press conferences and events.

As part of the 50th Anniversary celebration, a total of 125 exclusive live interviews with OPEC officials, international dignitaries, analysts and journalists were live streamed and many were published on the multimedia section of OPEC website. DVDs of documentaries and photo CDs were produced and distributed. Photographs were printed in house.

**Podcasts**

Twelve podcasts of the MOMR were produced and aired during the year. The monthly podcasts highlighted OPEC's key messages regarding the oil market.

**Distribution**

PRID also maintained and updated its mailing lists, which comprise representatives from the media, press, analysts, news agencies, banks, investment companies, universities and more. The lists were used on a daily basis to distribute alerts on website updates, as well as for other announcements related to the Organization and its activities. In addition, they were used in order to distribute OPEC publications.

**Inauguration of OPEC's new headquarters**

The official inauguration of OPEC's new headquarters took place in March 2010. PRID was instrumental in planning and helping to implement the event, which took place around the 156th Meeting of the OPEC Conference. The inauguration programme included a Wall of History which charted OPEC's rich history over the past half-century and celebrated 50 years of efforts to bring stability to the oil market. It also provided the opportunity to unveil the OPEC 50th Anniversary commemorative postage stamps and officially launch the new OPEC website. There was also an official tape-cutting ceremony and an inauguration lunch.

**Missions and trainings**

In 2010, the department took part in several missions and training courses. These included:

- Chatham House Conference, London, UK, January;
- 12th IEF, Cancun, Mexico, March;
- Strategic Communication, London, UK, April;
- Reuters Energy Summit, London, UK, May;
- 7th EU-OPEC Ministerial Meeting, Brussels, Belgium, June;
- 4th Annual World National Oil Companies' Congress, London, UK, June;
- Creative Non-fiction, UK, September;
- International Fund for Agricultural Development, Rome, Italy, August;
- OPEC 50th Anniversary Exhibition, Riyadh, Saudi Arabia, October;
- Joint OPEC/IEF/IEA event and forum, London, UK, November;
- Oil and Gas Industry fundamentals, London, UK, November;
- OPEC's 158th (Extraordinary) Meeting of the Conference, Quito, Ecuador, December.

**OPEC's 50th Anniversary celebration**

As previously mentioned, during 2010 PRID was instrumental in planning, supporting and implementing a number of special publications and events to mark the Organization's 50th Anniversary. Such events and publications included the following:

***Publications***

- PRID began a draft of the book: History of OPEC at 50. This book will tell the story of the Organization and its achievements since it was founded 50 years ago in Baghdad (to be finalized during 2011);
- An illustrated history of oil and OPEC for children. This book will provide younger readers with a primer to the origins and workings of the oil industry and OPEC (to be finalized during 2011).

***Exhibitions***

- A special exhibition in Vienna's Kursalon from 20–29 September that showcased the rich culture and history of each of the Organization's MCs.

***Concerts***

Special concerts were organized by some MCs to mark the Anniversary:

- On 1 October, a Venezuelan-sponsored concert of the Teresa Carreño Youth Orchestra of Venezuela took place at the Wiener Konzerthaus;
- On 14 October, Qatar organized a special concert that featured the Qatar Philharmonic Orchestra. Qatar also hosted a Gala Dinner to mark the event.

***Competitions***

- Logo: A 50th Anniversary logo competition was run for MC nationals and was won by Ms Lula Pilay Garcia from Ecuador. Her winning logo was used throughout 2010 at the Secretariat and in MCs. Also, arrangements were made for the winner to travel to Vienna to receive her prize and take part in the Anniversary exhibition;
- Quiz: An OPEC quiz was held for high school students in both MCs and Austria. The final took place in Vienna on 30 June and was attended by students from eight MCs, and host country Austria. The competition was won by Venezuela's Luis de la Hoz. Kehinde Olatunde from Nigeria took second place and Jose Andres Yanchapaxi Novillo from Ecuador was third. The quiz

competition was live streamed on the OPEC website.

***14 September press conference***

PRID planned and implemented a 14 September press conference at the OPEC Secretariat to mark the 50th Anniversary of the meeting that established OPEC in Baghdad in 1960. The OPEC Secretary General took questions from national and international media attending the event, and also took live questions via satellite audio transmission.

***50th Anniversary advert campaign***

Adverts were placed or run in/at the following strategic locations in Vienna:

- International Airport;
- Underground railway stations;
- City airport trains;
- Radio stations;
- Across the city (by way of flyers and posters);
- Selected international print publications.

***Documentary and film***

- Twelve MC documentaries were produced, covering individual MC activities since joining OPEC. The films were shown during the 50th Anniversary Exhibition;
- A 20 second OPEC 50th Anniversary video advertisement was produced;
- A three-minute documentary about OPEC's headquarters was produced and shown during the inauguration ceremony;
- A short animation for the 50th Anniversary Exhibition was produced;
- A 50th Anniversary logo animation was produced;
- A short advertisement was produced for the U-Bahn INFO Screen;
- 3,900 copies of the film OPEC Instrument of Change were distributed during 2010.

PRID also produced the following special documentaries/provided the following services:

- Two documentaries for Kuwait and Saudi Arabia produced as requested;
- Drafted and recorded goodwill messages from OPEC's Secretary General, Director of the Research Division and Head of the Secretary General's Office for Kuwait's 50th Anniversary documentary;
- Provided international media with archival material.

***Special projects***

The following special projects were completed/advanced:

- Who is Who draft project completed in December 2010. The delivery of the project was postponed to June 2011;
- Wheel of Time draft documentary reached an advanced stage. The delivery of the project was postponed to June 2011.

In addition, an electronic television advert was produced and sent to MCs for use in their national media.

***Souvenirs***

Anniversary souvenirs were sourced, procured and distributed by PRID.

***Commemorative stamps***

Anniversary stamps designed by PRID were issued by the Secretariat and the Austrian Post Office. Some Member Countries also designed, produced and issued their own Anniversary stamps.

### *Anniversary micro-site*

The $50^{th}$ Anniversary micro-site, within the redesigned OPEC website, highlighted the activities of the Golden Jubilee celebration and also included reflective interviews with past leaders of the Organization and other oil industry leaders.

### Other areas

During 2010, PRID continued to provide assistance to the RD, the Support Services Division and other offices, in support of the Secretariat's objectives. The department also provided assistance to meetings, workshops and training courses through the accreditation of participants (including journalists and analysts), the production and printing of background information for the press at conferences, the provision of badges and the production of programmes of activities, posters, logos, pop-up stands, name plates, CD covers, note pads and invitation cards, among other things. It also prepared business cards for Staff.

Overall, PRID used its diverse expertise to support the Organization in its pursuit of the objective of achieving lasting order and stability in the global oil market and in addition, successfully executed the year-long $50^{th}$ Anniversary celebration.

## Administration and IT Services Department

The routine activities of the Administration Section consist of providing office and travel services, maintaining the premises and residence, making arrangements for all meetings and implementing the Headquarters Agreement. During 2010, special focus was given to the supervision and coordination of the remaining installation and outfitting work in the new premises, especially relating to the conference areas and security matters. Furthermore, some minor adjustments and additional purchases were necessary in relation to the new offices. The Administration Section dedicated much time to the logistical arrangements of the inauguration ceremony in March 2010, as well as to the anniversary year's special activities, including the Exhibition. Additionally, the parking situation was reviewed and amended guidelines were prepared accordingly.

The IT Services Section is responsible for providing the Secretariat with an effective and secure IT environment. It is also responsible for printing/photocopying, telecommunication and mail/courier services for the OPEC Secretariat.

In addition to performing its routine activities, the IT Services Section carried out the following special projects in 2010:

- Implementation of Domain Data Back-up and Disaster Recovery system;
- Virtualization of servers;
- Implementation of Central Server Storage System;
- Purchase of Microsoft Enterprise License.

## Finance and Human Resources Department

In addition to providing services related to managing the human and financial resources of the Organization, in 2010 the Finance and Human Resources Department was engaged in finalizing all adjustments necessary for the smooth transition of the new organizational structure introduced in 2008. It was also engaged in the project to update the Staff Regulations, Financial Regulations and

Financial Rules and Procedures, as envisaged in its Work Programme.

In addition to its regular, day-to-day activities, the Finance Section produced: the Financial Report for 2009, the Provisional Financial Statement for 2010, the Draft Budget for 2011 and the Policy Guidelines for the Reserve Fund Account. All were presented to the BoG. The Section continued its work to update the Financial Regulations and the Financial Rules and Procedures to reflect amendments that resulted mostly from the implementation of the Strengthening the Secretariat Project. The updated Financial Regulations and Financial Rules and Procedures will be finalized pending Board approval, which will be most likely obtained in the course of 2011.

In addition to providing personnel-related services to the Secretariat, the Human Resources Section finalized all the adjustments to the new organizational structure. As was foreseen in the Strengthening the Secretariat Project, the Section also introduced the new procedure concerning the processing of medical claims to the Secretariat's diplomatic Staff Members. The procedure was introduced to non-diplomatic Staff Members in 2009. The diplomatic Staff Members can now also fully enjoy the benefits offered by the group health insurance coverage and their medical records are handled in absolute confidence. The work to update the Secretariat's Staff Regulations will be finalized pending Board approval to be obtained, most likely, in the course of 2011.

*Staff members with the Secretary General during the staff award ceremony.*

# Heads of Delegation

## ALGERIA

HE Dr Chakib Khelil
*(to 30 May)*

HE Dr Youcef Yousfi

## ANGOLA

HE José Maria Botelho de Vasconcelos

## ECUADOR

HE Eng Germánico Pinto
*(to 20 April)*

HE Wilson Pástor-Morris

## IR IRAN

HE Masoud Mir-Kazemi

## IRAQ

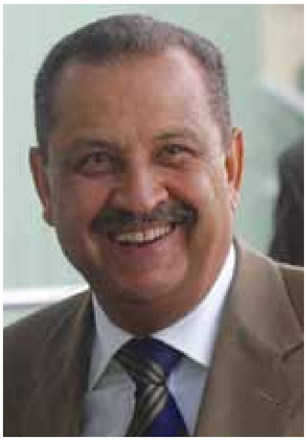
HE Dr Hussain Al-Shahristani
*(to 20 December)*

HE Abdul Kareem-Luaibi Bahedh

## KUWAIT

HE Ahmad Al-Abdullah Al-Ahmad Al-Sabah

## SP LIBYAN AJ



HE Dr Shokri M Ghanem

HE Dr Rilwanu Lukman
*(to 5 April)*

## NIGERIA

HE Diezani Alison-Madueke

## QATAR

HE Abdullah Bin Hamad Al-Attiyah

## SAUDI ARABIA

HE Ali I Naimi

## UNITED ARAB EMIRATES

HE Mohammed Bin Dhaen Al-Hamli

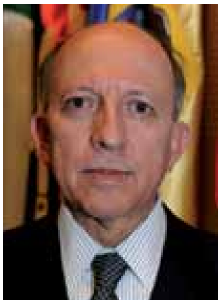
## VENEZUELA

HE Rafael Ramírez

# The Board of Governors

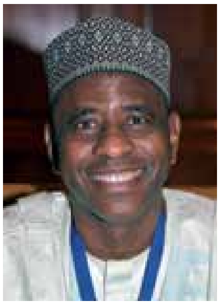
*Members of the Board of Governors at the 133rd Meeting, held in Vienna, Austria, in February 2010 (l-r): Hamid Dahmani, Algeria; Diego Stacey Moreno, Ecuador; Dr Omar Farouk Ibrahim, ad hoc Governor in place of Mohammed S Barkindo, Nigeria; Ahmed M Elghaber, Chairman of the Board, SP Libyan AJ; Abdalla Salem El-Badri, Secretary General; Siham Abdulrazzak Razzouqi, Kuwait; Dr Falah J Alamri, Iraq; Issa Shahim Al Ghanim, Qatar; Felix Manuel Ferreira, Angola; Seyed Mohammad Ali Khatibi Tabatabai, IR Iran; Dr Majid A Al-Moneef, Saudi Arabia; and Dr Bernard Mommer, Venezuela.*

**Other Governors** *(not pictured above)*



Diego Armijos Hidalgo
Ecuador
*(from 7 May)*

Mohammed S Barkindo
Nigeria
*(to 12 September)*



Engr Goni Musa Sheikh
Nigeria
*(from 13 September)*

Ali M A Al-Hammadi
Qatar
*(to 9 February)*

Ali Al-Yabhouni
UAE

# The Economic Commission Board


*National Representatives and OPEC delegates and officials at the 10th Special Meeting of the Economic Commission Board in May 2010.*

**National Representatives**

### ALGERIA
Mustapha Hanifi

### ANGOLA
Luis Correa Neves

### ECUADOR
Maria Elsa Viteri *(to 21 April)*
Diego Armijos Hidalgo *(from 7 May)*

### ISLAMIC REPUBLIC OF IRAN
S M A Khatibi Tabatabai *(to 6 November)*
Safar Ali Keramati *(from 7 November)*

### IRAQ
Adel K M Al-Taee

### KUWAIT
Nawal Al-Fuzaia

### SP LIBYAN AJ
Omar M Gazal *(to 17 October)*
Dr Mahmud Mabruk Sadeg *(from 18 October)*

### NIGERIA
Suleman Ademola Raji

### QATAR
Sultan K Al-Binali

### SAUDI ARABIA
Dr Ahmad M A Al-Ghamdi

### UNITED ARAB EMIRATES
Hamdan Mubarak Al Akbari

### VENEZUELA
Fernando Valera *(to 24 February)*
Fadi Kabboul *(from 25 February)*

# Officials of the Secretariat

*Pictured above are the Members of Management. Seated: Abdalla Salem El-Badri, Secretary General. L/R: Mohammad Alipour-Jeddi (left in August), Head Petroleum Studies Department; Oswaldo Tapia, Head, Energy Studies Department; Fuad Al-Zayer, Head, Data Services Department; Dr Hasan M Qabazard, Director, Research Division; Alejandro Rodriguez Rivas, Head, Finance and Human Resources Department, Officer in Charge of the Administration and IT Services Department; Ulunma Angela Agoawike, Head, PR and Information Department; Dr Ibibia L Worika, General Legal Counsel and Abdullah Al-Shameri, Head, Office of the Secretary General.*

Dr Hojatollah Ghanimi Fard
Head, Petroleum Studies Department
*(from 1 July)*

**Secretary General**
Abdalla Salem El-Badri

**Office of the Secretary General**
Abdullah Al-Shameri — Head

**Legal Office**
Dr Ibibia L Worika — General Legal Counsel

**Officers**
Ali Nasir

**Research Division**
Dr Hasan M Qabazard — Director

**Data Services Department**
Fuad Al-Zayer — Head

**Officers**
Nabeel Almojil
Puguh Irawan
Ramadan Janan

**Energy Studies Department**
Oswaldo Tapia — Head

**Officers**
Dr Fuad Siala *(left in March)*
Dr Nimat B Al-Soof *(left in March)*
Mohammad Khesali
Dr Mohamed Mazraati
Benny Lubiantara
Dr Taher M Najah
Julio Arboleda Larrea
Amal Alawami *(joined in June)*

**Petroleum Studies Department**
Mohammad Alipour-Jeddi — Head *(left in August)*
Dr Hojatollah Ghanimi Fard — Head *(joined in July)*

**Officers**
Safar A Keramati *(left in March)*
Brahim Aklil
Osam Abdul Aziz *(left in January)*
Dr Mohamed El-Shahati *(left in March)*
Dr Mehdi Asali
Dr Odalis Lopez Gonzalez
Esam Al-Khalifa
Haidar Khadadeh
Elio Rodriguez Medina *(joined in June)*

**Multilateral Relations Department***
Dr Mohammad Taeb

**Finance and Human Resources Department**
Alejandro Rodriguez Rivas — Head

**Officers**
Layla Abdul-Hadi
Endro Guritno

**Administration and IT Services Department**
Alejandro Rodriguez Rivas — Officer in Charge

**Officers**
Ayodeji Adeosun

**Public Relations and Information Department**
Dr Omar F Ibrahim — Head *(left in February)*
Angela Agoawike — Head
*(Officer in Charge February-September, appointed Head in September)*

**Officers**
Zoreli Figueroa

* *At the 134th Meeting in September, the Board of Governors approved the re-designation of the Multilateral Relations Department as the Environmental Matters Unit.*

# Secretary General's diary

**1–2 February** Chatham House Conference on Prospects for Middle East and North Africa Energy, London, England

**29–31 March** 12th International Energy Forum, Cancun, Mexico

*OPEC Secretary General, Abdalla Salem El-Badri and the OPEC Delegation at the 12th International Energy Forum in Cancun, Mexico in March 2010.*

**9 May** 9th Arab Energy Conference, Doha, Qatar

**28 June** 7th Ministerial Meeting of the EU-OPEC Energy Dialogue, Brussels, Belgium

*OPEC Secretary General, Abdalla Salem El-Badri, Masoud Mir-Kazemi, Alternate President and Minister of Petroleum of IR Iran, Wilson Pástor-Morris, OPEC President and Minister of Non-Renewable Natural Resources, Ecuador, and Günther Oettinger, EU Commissioner for Energy.*

**19–20 October** International Energy Symposium on the Occasion of OPEC's 50$^{th}$ Anniversary, Riyadh, Kingdom of Saudi Arabia

*International Energy Symposium in Riyadh, Kingdom of Saudi Arabia, in October 2010.*

**22 November** IEF/IEA/OPEC Workshop on Understanding the New Dynamic: How the Physical and Paper Markets for Energy Interact, London, UK

**23 November** IEF/IEA/OPEC Forum on Energy Market Regulation: Clarity and Coordination, London, UK

# Calendar 2010

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|---|---|
| **8 January** | 1st Meeting of Deputy Ministers on Review of OPEC's Long-Term Strategy (LTS), Vienna, Austria |

*(L–R): OPEC Secretary General, Abdalla Salem El-Badri, HRH Abdulaziz Bin Salman Bin Abdulaziz Al-Saud, Assistant Minister of Petroleum Affairs, Ministry of Petroleum and Mineral Resources, Kingdom of Saudi Arabia and Dr Hasan M Qabazard, Director, Research Division.*

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| **23–24 February** | 133rd Meeting of the Board of Governors (BoG), Vienna, Austria |
| **11 March** | 113th Meeting of the Economic Commission Board (ECB), Vienna, Austria |
| **16 March** | Meeting of Experts from Member Countries on Energy Subsidies, Vienna, Austria |
| **16 March** | 72nd Meeting of the Ministerial Monitoring Sub-Committee (MMSC), Vienna, Austria |
| **17 March** | 156th Meeting of the Conference, Vienna, Austria |
| **18 March** | 2nd Meeting of Deputy Ministers on Review of OPEC's Long-Term Strategy, Vienna, Austria |
| **25 March** | 4th Meeting of the Steering Committee for the Annual Meeting of the OPEC R&D Officials, Vienna, Austria |
| **29–31 March** | 12th International Energy Forum (IEF), Cancun, Mexico |
| **12–16 April** | 10th Multi-Disciplinary Training Course, Vienna, Austria |

*Member Countries' delegates at the 10th Multi-Disciplinary Training Course.*

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| **4–5 May** | 5th Annual Meeting of OPEC R&D Officials, Vienna, Austria |
| **18–19 May** | 10th Special Meeting of the ECB, Vienna, Austria |
| **28 May** | 3rd Meeting of Deputy Ministers on Review of OPEC's Long-Term Strategy, Vienna, Austria |
| **30 May** | Coordination Meeting prior to UNFCCC Negotiations, Bonn, Germany |
| **28 June** | 7th Ministerial Meeting of the EU/OPEC Energy Dialogue, Brussels, Belgium |

**29 June** Member Country Experts Coordination Meeting prior to Meeting with Mexico on Climate Change, Vienna, Austria

**30 June** Meeting of Experts from Member Countries and Mexico on Climate Change, Vienna, Austria

**14 September** Press Conference on the occasion of OPEC's 50$^{th}$ Anniversary, Vienna, Austria

*OPEC Secretary General, Abdalla Salem El-Badri among journalists after the Press Conference on the occasion of OPEC's 50$^{th}$ Anniversary.*

**20–21 September** 134$^{th}$ Meeting of the BoG, Vienna, Austria

**27 September** 4$^{th}$ Meeting of Deputy Ministers on Review of OPEC's LTS, Vienna, Austria

**11 October** 114$^{th}$ Meeting of the ECB, Vienna, Austria

**13 October** 73$^{rd}$ Meeting of the MMSC, Vienna, Austria

**14 October** 157$^{th}$ Meeting of the Conference, Vienna, Austria

**4 November** Press Conference to launch new World Oil Outlook and Annual Statistical Bulletin, Vienna, Austria

*(L–R): Puguh Irawan, Statistical Systems Coordinator, Dr Hasan M Qabazard, Director, Research Division, OPEC Secretary General, Abdalla Salem El-Badri, and Oswaldo Tapia, Head, Energy Studies Department.*

**22 November** IEF/IEA/OPEC Workshop on Understanding The New Dynamic: How the Physical and Paper Markets for Energy Interact, London, UK

**23 November** IEF/IEA/OPEC Forum on Energy Market Regulation: Clarity and Coordination, London, UK

**28 November** OPEC Coordination Meeting in the Run-up to COP-16/CMP-6, Cancun, Mexico

**29 November–10 December** COP-16 and COP/CMP-6, Cancun, Mexico

**30 November** 135$^{th}$ Meeting of the BoG, Vienna, Austria

**11 December** 158$^{th}$ (Extraordinary) Meeting of the Conference, Quito, Ecuador

# The OPEC Award for Research 2012

## Call for nominations

The presentation of the fourth prestigious OPEC Award for Research will take place in Vienna, Austria, in June 2012. Organizations and institutions are invited to nominate qualified candidates to be considered for this Award.

### Objective of the Award

The OPEC Award for Research recognises past efforts and encourages future endeavours. In this regard, it honours individuals who have made outstanding contributions to knowledge of the petroleum industry and oil-related issues.

### Frequency of the Award

Instituted in 2004, the OPEC Award for Research is conferred by the President of the OPEC Conference on the occasion of the biennial OPEC International Seminar.

### Eligibility

To be eligible for the OPEC Award for Research, the recipient must:

- Be well-known in the energy industry and/or academia;
- Have consistently maintained high achievement levels over many years, including the production of a substantial record of publications;
- Have shown dedication to research and analysis of important oil-related issues;
- Have contributed to an improved understanding of key determinants that support oil market stability;
- Have played a role in enhancing dialogue between producers and consumers;
- Have demonstrated a high level of objectivity and integrity in his/her work;
- Have consistently presented a critical, yet impartial view on oil-related issues in public debates and discourse;
- Have furthered knowledge in the oil industry by encouraging and promoting young researchers within OPEC Member Countries and the developing world;
- Have demonstrated innovative thinking throughout his/her career.

### Nominations

Candidates for the OPEC Award for Research can be nominated by individuals, institutions and/or organizations by filling out the nomination form. This can also be downloaded from the OPEC website www.opec.org. Completed nomination forms, accompanied by a 500-word biography of the candidate and a list of some of his/her publications, should be sent either by email to prid@opec.org or by post to:

The Chairman
The OPEC Award for Research
Organization of the Petroleum Exporting Countries
Helferstorferstrasse 17, A-1010 Vienna, Austria

Deadline for nominations is Tuesday, 31 May 2011.

### Winner

The recipient of the OPEC Award for Research will be chosen by a panel of professionals in the industry from within and outside OPEC Member Countries and the OPEC Secretariat.

### Presentation of the Award

The OPEC Award for Research will be presented at the close of the Fifth OPEC International Seminar in Vienna, Austria, on **13–14 June 2012**.

# Nomination form for Research Award 2012

Name of the nominee: ______________________________

Position: ______________________________

Company/Organization: ______________________________

Street address: ______________________________

______________________________

City: ______________ Country: ______________

Telephone: ______________ E-mail: ______________

Nominating Institution: ______________________________

Address: ______________________________

City: ______________ Country: ______________

Telephone: ______________ E-mail: ______________

Please send completed nomination forms and samples of published work by email to prid@opec.org or by post:

The Chairman
The OPEC Award for Research
Organization of the Petroleum Exporting Countries
Helferstorferstrasse 17
A-1010 Vienna, Austria

All material should be received by 31 May 2011.

# The OPEC Award for Journalism 2012

## Call for nominations

Nominations for the second OPEC Award for Journalism are now on. Interested journalists, analysts and media organizations are invited to nominate candidates for this Award, which will be presented in Vienna, Austria, in June 2012.

### Objective of the Award

The OPEC Award for Journalism honours journalists, analysts and organizations that have devoted their careers to objective, balanced reporting on — and analysis of — the oil market. Such work would have contributed to a greater understanding of the workings of the global oil market over a significant period.

### Eligibility

The competition is open to all print and broadcast journalists and analysts (including those from OPEC Member Countries) that have reported on — and analysed — the industry for more than ten years.

### Nominations

Completed nomination forms — together with five samples of work previously published or broadcast (CDs/DVDs) covering the required time-frame — should be e-mailed to prid@opec.org or posted to:

The Chairman
The OPEC Award for Journalism
c/o Public Relations and Information Department
Organization of the Petroleum Exporting Countries
Helferstorferstrasse 17
A-1010 Vienna, Austria

Nomination forms are also available on the OPEC website, www.opec.org. All material should be received by **Tuesday, 31 May 2011**. Eligible candidates may nominate themselves, while third-party nominations are also permitted.

### Winner

All entries will be judged by a panel of academics, journalists and oil industry experts. The winner will receive a plaque and a cheque for 5,000 euros which will be donated on his/her behalf to any institution or charity of his/her choice.

### Presentation of the Award

The OPEC Award for Journalism will be presented at the close of the Fifth OPEC International Seminar in Vienna, Austria, on **13–14 June 2012**.

# Nomination form for Journalism Award 2012

Name of the nominee: ______________________________

Position (for individuals/groups): ______________________________

Company/Organization: ______________________________

Street address: ______________________________

______________________________

City: ______________________________

Telephone: ______________________________

Nominating Organization (if applicable): ______________________________

Address: ______________________________

City: ______________________________

Telephone: ______________________________

Please send completed nomination forms and five samples of published/broadcast (CDs and DVDs) work by email to prid@opec.org or by post:

The Chairman
The OPEC Award for Journalism
c/o Public Relations and Information Department
Organization of the Petroleum Exporting Countries
Helferstorferstrasse 17
A-1010 Vienna, Austria

All material should be received by 31 May 2011.

# OPEC publications

**All publications are in the English language**

## Available from the OPEC Secretariat

The following publications may be obtained from: PR and Information Department, Organization of the Petroleum Exporting Countries, Helferstorferstrasse 17, 1010 Vienna, Austria (*tel* +43 1 211 12-0; *fax* +43 1 211 12-5081; *website* www.opec.org; *e-mail* prid@opec.org).

### Free

**Annual Report**
**Frequently Asked Questions**
**General Information**
**OPEC Bulletin**
**OPEC Statute**
**Who Gets What from Imported Oil?**
**World Oil Outlook**

### On sale

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|---|---|---|
| **Annual Statistical Bulletin** (available on standing order) | | |
| | Book and CD (Windows™ application) | US $85 |
| **OPEC Monthly Oil Market Report** | hard copy subscription one year | US $525 |
| | single copy | US $50 |

A PDF version of all the above publications can be downloaded free of charge from our web site www.opec.org.

## Available from Wiley-Blackwell Publishing

The following is available from Wiley-Blackwell, John Wiley & Sons, 9600 Garsington Road, Oxford OX4 2DQ, Untied Kingdom (*tel* +44 1865 776868; *fax* +44 1865 714591).

**OPEC Energy Review** (quarterly, print and online) annual subscription rates, 2011:

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|---|---|---|
| *Europe:* | *individual €160* | *institutional £567* |
| *UK:* | *individual £107* | *institutional £447* |
| *The Americas:* | *individual $179* | *institutional $750* |
| *Rest of world:* | *individual £107* | *institutional $876* |

## Available from the OPEC Fund for International Development

Publications relating to our sister organization, the OPEC Fund for International Development, can be obtained directly from its Headquarters at PO Box 995, 1011 Vienna, Austria (*tel* + 43 1 515 64-0; *fax* +43 1 513 92 38; *website* www.ofid.org; *e-mail* info@ofid.org).

www.opec.org