



جامعة قطر
QATAR UNIVERSITY

The 4th Annual International Interdisciplinary
Conference for the Gulf Studies Center 2019

Geopolitics of Gulf Energy: Adjusting to Old and New Challenges

26 – 27 November 2019

8 am – 5:30 pm

Qatar University, Higher Administration Building (B01),
Conference Hall

المؤتمر الدولي السنوي الرابع لمركز دراسات الخليج ٢٠١٩

الجغرافيا السياسية للطاقة في الخليج: التكيف مع تحديات قديمة وجديدة

26 – 27 نوفمبر 2019

8 صباحًا – 5:30 مساءً

جامعة قطر، مبنى الإدارة العليا (B01)،

قاعة المؤتمرات





Conference Organizing Committee

Dr. Nikolay Kozhanov



Dr. Luciano Zaccara



Mrs. Arwa Kamal



Mrs. Farah Al Qawasmi





Welcome Note

On behalf of the Gulf Studies Center at Qatar University, it gives the conference committee great pleasure to extend a very warm welcome to the participants of the “4th Annual International Interdisciplinary Conference: Geopolitics of the Gulf Energy.”

It is the mission of the Gulf Studies Center to implement and advance Qatar University’s vision of developing research and academia in Qatar and the region. Therefore, this annual international conference on the new trends in the Geopolitics of Gulf Energy will bring together scholars, policy makers, local stakeholders and students from a wide-range of disciplines to engage in distinct debates on a number of themes such as the influence of the main trends of the international oil and gas markets on the Gulf countries. Given the current Middle Eastern conflicts, tensions and insecurity, special attention will be paid to the study of challenges for hydrocarbon export from the Gulf. The conference will also explore prospects for renewable energy, diversification, and energy sector reforms in the region as well as it will discuss the future of Gulf hydrocarbons.

We are pleased that our international, regional, and local guests have accepted our invitation to partake in this thought-provoking event, and the Gulf Studies Center is looking forward to two days of intriguing research and academic papers presented by the top scholars in the field.

Best Regards,

Conference Committee



كلمة ترحيب

بالنيابة عن مركز دراسات الخليج في جامعة قطر، يسر لجنة المؤتمر أن ترحب بالمشاركين في **المؤتمر الدولي السنوي الرابع المتعدد التخصصات تحت عنوان "الجغرافيا السياسية للطاقة في الخليج: التكيف مع رؤية عالمية جديدة"**. وينظم مركز دراسات الخليج هذا المؤتمر في سبيل إنتاج أكاديمي يحلل موضوع الطاقة في الخليج تحليلا علميا ويضع الحلول والممارسات الممكنة في ظل الأوضاع السياسية الراهنة.

وتتمثل مهمة ورؤية مركز دراسات الخليج في تطوير وتعزيز رؤية جامعة قطر لتطوير الأبحاث الأكاديمية في قطر والمنطقة. لذلك، فإن الهدف الرئيسي للمؤتمر هو المساهمة في تعزيز الاتجاهات البحثية لطلبتنا في برنامج دراسات الخليج. بالإضافة إلى ذلك، سيجتمع هذا المؤتمر الدولي السنوي العديد من العلماء وصناع القرار والسياسات وأصحاب المصلحة المحليين والدوليين بالإضافة إلى الطلبة من مجموعة واسعة من التخصصات للمشاركة في مناقشات متميزة حول عدد من الموضوعات مثل الخليج والاتجاهات الرئيسية لأسواق النفط والغاز العالمية، وتحديات الخليج في تصدير النفط والغاز في ظل النزاعات في الشرق الأوسط وانعدام الأمن. يسلم المؤتمر أيضا الضوء على دور اللاعبين غير الإقليميين (الولايات المتحدة والاتحاد الأوروبي والهند والصين وروسيا) في قطاع النفط والغاز في الخليج وعلى علاقات دول الخليج مع GECF و OPEC و OPEC+. كما سيناقش المؤتمر أيضا مستقبل قطاع الطاقة المتجددة في الخليج والتنوع الاقتصادي والإصلاحات في قطاع الطاقة بشكل عام.

كما يسر لجنة المؤتمر قبول ضيوف المؤتمر الدوليين والإقليميين والمحليين دعوتنا للمشاركة في مؤتمر مركز دراسات الخليج السنوي، ونتطلع للاستماع للأبحاث والعروض الأكاديمية المميزة التي سيقدمها مجموعة من كبار العلماء والباحثين في المجال خلال يومي المؤتمر.

لجنة مؤتمر مركز دراسات الخليج



Conference Agenda

1st Day: 26th November

8:00 am: Registration

8:30 am: Moderator Nikolay Kozhanov (Research Associate Professor, Gulf Studies Center)

Dr. Hassan Al-Derham President of Qatar University

Prof. Ibrahim Al- Kaabi Dean of the College of Arts & Sciences

Dr. Mahjoob Zweiri Director, Gulf Studies Center, Qatar University

9:00 am – 10:00 am Keynote Speech:

Chair: Mahjoob Zweiri

Presenter	Title of Paper	Affiliation
Bassam Fattouh	Structural Changes in Global Oil Markets and Implications for Middle East Resource-Rich Countries	Oxford Institute for Energy Studies

10:00 am – 11:30 am Panel 1: Gulf and the Main Trends of the International Oil and Gas Markets

Chair: Nikolay Kozhanov

Presenter	Title of Paper	Affiliation
Manochehr Dorraj	The Rise Of Shale Oil And Gas And The Renewables And The Prospects For The Future Of GCC Energy Sector	Texas Christian University
Ahmed Mehdi	Shifting Crude Flows And Rising Competition In Asia: Implications For Gulf Producers	Oxford Institute For Energy Studies
Jinsok Sung	Changing Paradigm In The Global LNG Market: Opportunities And Risks For Major Suppliers	Skolkovo Energy Centre, Moscow School Of Management (Russia)



11:30 am – 12:00 pm Coffee break

12:00 pm – 13:30 pm Panel 2: Middle East Conflicts, Tensions and Insecurity: Challenges for Hydrocarbon Exports from the Gulf

Chair: Farah Al-Qawasmi

Presenter	Title of Paper	Affiliation
Naji Abi-Aad	Challenges for Middle Eastern Petroleum Exports: Regional Conflicts or Internal Instability?	COO to Petroleob
Sujata Ashwarya	Situating Gulf's Oil and Gas Supply to Asia: Implications of US Shale Boom, Iran Sanctions and Trade War with China	Centre for West Asian Studies [Middle Eastern Studies], Jamia Millia Islamia
Robert Czulda	Military Challenges for Hydrocarbon Export from the Gulf – An Assessment of Iranian Motives and Methods of Causing Disrupt	University of Lodz

13:30 pm – 14:30 pm Lunch break

14:30 pm – 16:00 pm Panel 3: Gulf Oil and Gas Sector: the Role of Non-Regional Players

Chair: Erick Viramontes

Presenter	Title of Paper	Affiliation
Najam Abbas	Dimensions and Dynamics of Delhi's Diversified Energy Pursuits in the Persian Gulf	East West Institute's Senior Research Fellow on South & Central Asian Energy Affairs
Ian Parmeter	Russia's Energy Strategy, and its Impact on Gulf Energy Markets	Centre for Arab and Islamic Studies (CAIS) at the Australian National University (ANU)
Vorachai Israsena Pichitkanjanakul	The Gulf States and the Petro Yuan	Qatar University

End of 1st day
Dinner at Souq Waqif



2nd day: 27th November

9:00 am – 10:30 am Panel 4: Future of Gulf Hydrocarbons

Chair: Hela Miniaoui

Presenter	Title of Paper	Affiliation
Kristian Ulrichsen	The Geopolitics of Energy Transitions in Arab Gulf States	Rice University's Baker Institute for Public Policy
Nikolay Kozhanov	The privatization of Saudi ARAMCO and the future of national oil companies of the Gulf	Qatar University
Amir Safari	Roadmap for hydrogen society/economy supported by petroleum sector	University of Stavanger

10:30 am – 11:00 am Coffee break

11:00 – 12:30 Panel 5: Oil Sanctions: Assessing Iran's Experience

Chair: Luciano Zaccara

Presenter	Title of Paper	Affiliation
David Jalilvand	Iran, Energy, And Geopolitics In 2019: From "strategic patience" to "lose-lose"	Friedrich-Ebert-Stiftung
Mohammad Mahdi Hajian	Regional Cooperation: A New Legal Approach For Managing Common Resources Of Oil And Gas In Persian Gulf	Allameh Tabataba'i University
Azra Banafsheh Keynoush	Challenges To Re-Structuring Iran's Energy Industry	Independent Expert

12:30 pm – 13:30 pm Lunch break



13:30 pm – 15:00 pm Panel 6: Prospects for Renewable and Sustainable Energy in the Gulf

Chair: David Jalilvand

Presenter	Title of Paper	Affiliation
Gawdat G Bahgat	Prospects for Alternative Energy in the Gulf	"Near East South Asia Center for Strategic Studies National Defense University"
Ahmed Mohamed Abd El Haq Badran	Key Issues for Long Term Climate Policy Design in Gulf Countries with Focus on Qatar	Qatar University
Mehran Haghirian Mohammad Al-Saidi	Saudi Arabia and the Emirates' Quest for Alternative Energy: Geopolitics of the Nuclear Option	Qatar University

15:00 pm – 15:30 pm closing remarks

The background is a complex, layered design in shades of light blue and white. It features a grid of hexagons, some of which are filled with a darker blue. Overlaid on this are several large, semi-transparent blue arrows pointing downwards. Small white plus signs are scattered throughout the composition, adding to the technical or scientific aesthetic.

Abstracts & Biographies



Bassam Fattouh

Biography

Dr. Bassam Fattouh is Director of the Oxford Institute for Energy Studies and Professor at the School of Oriental and African Studies, University of London. He specialises in international oil pricing systems, OPEC pricing power, security of Middle Eastern oil supplies, and the dynamics of oil prices and oil price differentials. He is widely published on oil and gas topics and his publications have appeared in academic and professional journals. Dr. Fattouh served as a member of an independent expert group established to provide recommendations to the 12th International Energy Forum (IEF) Ministerial Meeting for strengthening the architecture of the producer-consumer dialogue through the IEF. He also acts as an adviser to governments and industry, and is a regular speaker at international conferences.

Abstract

"Structural Changes in Global Oil Markets and Implications for Middle East Resource-Rich Countries"

The purpose of this paper is to identify the major shifts in global oil supply and demand dynamics and assess the implications for resource-rich Middle East countries with special focus on GCC. It is argued that regardless of whether the shocks currently hitting the oil market are structural or temporary in nature, there is general consensus that oil prices can't be sustained at a much higher level than the current range for long and therefore it is important for resource-rich countries to adjust their economies to a lower price environment. It is shown that the adjustment process has already started following the price collapse in 2015 and 2016, but governments may become more constrained in their choices as reforms accelerate, especially given that there is still a strong sense of entitlement among the citizens of hydrocarbon-rich countries and thus governments should introduce compensatory schemes to offset the negative impact on welfare. In the medium to the long-term, one of the key uncertainties facing these countries is the speed of the energy transition and the prospects for global oil demand.

Because the share of oil in the energy mix is unlikely to fall sharply and because the Middle East is expected to continue to play a role in meeting global oil demand, the oil and gas sector will continue to dominate the GCC economies for the



foreseeable future. But the energy sector needs to play a more active role in the diversification process by extending the value chain and creating new industries through fostering backward and forward linkages. Given that the speed of the energy transition is highly uncertain, resource-rich countries should assess the impact of multiple scenarios, including one in which oil demand goes into structural decline. In face of structural decline in oil demand and oil revenues, these countries have limited options but to diversify their economic base and revenues away from oil to ensure a long-term sustainable growth path. However, there are multiple features of GCC economies that limit their ability to undertake deep reforms. These include a non-energy sector largely geared towards non-tradable and as such contributes little to exports' earnings. Also the fiscal structure is designed to heavily rely on oil revenue with few other additional sources. In this structure, the private sector and individuals are not taxed, but instead receive subsidies. A meaningful diversification can only be achieved by deep structural reforms and removing many of the barriers that hinder private sector development which is a complex and lengthy process.

It is concluded that if the transition does not go smoothly and countries struggle in their diversification efforts and reducing their reliance on oil revenues, this could result in lower investment in the oil sector and some countries could even see output disruptions which would result in more volatile oil prices. Also, in the absence of diversification, oil exporters will continue to push for higher oil prices through their output policy. These have the effect of speeding up the global energy transition. In contrast, if these countries succeed in their diversification objectives, they will not only increase the resilience of their economies, but this would allow them to pursue a more flexible and proactive oil policy and adopt long-term strategies that could influence the speed of global energy transition and secure the long-term demand for oil.

Manochehr Dorraj

Biography

Manochehr Dorraj, received his Ph.D. from the University of Texas at Austin. He has been the recipient of several awards for his research, teaching and mentoring at TCU.

He is the author, coauthor, editor or coeditor of 7 books and more than 100 refereed articles and book chapters. In addition, he has produced more than 120 non-refereed publications such as review articles, book reviews, blogs and



Op-eds. References to his work and the translation of his publications have appeared in 16 languages. He has been invited to present his scholarship in national and international symposiums, including those in John Hopkins, Yale, Harvard (USA), Queens and Toronto University (Canada), Nottingham University and University of London (Great Britain), St Andrews, Aberdeen and Dundee University (Scotland), Charles University (Czech Republic), Beijing, Fudan and Shanghai International Studies University (China). And he has been an invited speaker in such think tanks and international organizations as the Hudson Institute and the World Bank. During 2012-2013 he was a visiting fellow at Georgetown's Center for International and Regional Studies in Doha, Qatar. And During 2017-2018 academic year he was a visiting scholar at Fudan University Development Institute.

Manochehr Dorraj is a frequent commentator on global affairs in general and Middle East politics in particular. He has granted numerous interviews to international, national and local media. His commentary has appeared in the New York Times, The Economist, the Associated Press, the United Press International, the Agence France Press, the Huffington Post and the Atlantic Post, China Daily, among others. He has been interviewed by ABC, NBC, CBS, PBS Television and the NPR and numerous other Radio stations.

He is also active in lecture circuits and has delivered many speeches to universities, think tanks and community groups in Dallas-Fort Worth area and throughout the United States, Canada, Europe, China and the Middle East. His service at TCU includes serving as the Co-Chair of its Global Innovators Initiative and a member of the Executive Committee of Discovering Global Citizenship program and the director of TCU Study Abroad Program in Budapest, Prague, Dubrovnik and Vienna,

Abstract

“The Rise of Shale oil and Gas and the Renewables and the Prospects for the Future of GCC Energy Sector”

The rise of shale oil and gas, particularly in the United States, and its emergence as the largest producer of oil and an exporter of natural gas and a modest amounts of oil, has transformed the US as the net importer of oil and gas to an exporter in a short span of time. As such, US is on the verge of becoming a formidable future competition for the GCC energy producers.



In fact, by 2019, the promise of US shale oil and gas proved to be so alluring that as of late many major US energy companies are cutting back on their overseas investment in favor of investments in US shale oil and gas sector. In addition to the US competition, some of the major global importers of GCC oil and gas, namely China and Japan are investing in exploring their own domestic alternative sources of energy. The Energy Information Administration in the United States estimates that China has four times larger reserves of shale gas than the United States. Currently, Shale gas production in China is responsible for about 15% of domestic consumption, but as the technological capabilities to access these resources improves and the cost of production decreases, China's reliance on its own gas reserves for domestic consumption is bound to expand. Japan, the largest global importer of Liquefied Natural Gas in the world, has invested substantially in the last decade in order to find safe and economically viable ways to explore the massive amount of Methane Hydrates (Flammable Ice) that is found off its coast in order to reduce its heavy reliance on imported gas. Hence, as the magnitude of global environmental crisis unfolds, the call for divestment from fossil fuels and more substantial investment in wind and solar energy has gathered momentum globally; and by 2016, investment in these new sources of energy was outstripping the amount of money invested in fossil fuels. These impactful new developments already have created their own ripple effects economically and politically, compelling several GCC countries to put the diversification of their economies on top of their respective agendas as manifested by Saudi Vision 2030 and a similar initiative in Kuwait. The United Arab Emirates and Qatar had embarked on the path of diversification of their economies earlier. As China's ambitious Belt and Road Initiative (BRI) gathers momentum, attempts are underway by several GCC countries to forge synergy between their own initiatives and China's BRI. It remains to be seen if these policies would prove to be successful or not. This paper provides an in-depth analysis of these themes and in light of current dynamics offers some insights into the future prospects for the energy sector in GCC countries.

Ahmed Mehdi

Biography

Ahmed Mehdi is a Research Associate at the Oxford Institute for Energy Studies (OIES). He also serves as an energy consultant who advises oil companies and trading houses on oil and gas pricing, country strategy and energy economics. He previously acted as an advisor to BHP Petroleum's strategy division and spent several years working with PricewaterhouseCoopers (PwC) in London. Ahmed



comments widely on energy issues in the media, including the Financial Times, New York Times, Bloomberg, Foreign Affairs, Middle East Economic Survey (MEES), Petroleum Economist and S&P Global Platts. He is the founder of the London-based Commodities Intelligence Network. Ahmed was educated at the University of Oxford and University College London.

Abstract

“Shifting Crude Flows And Rising Competition In Asia: Implications For Gulf Producers”

The Middle East is the world’s largest crude exporter with the majority of its crude – sold via long term contracts - flowing eastward. Despite this, significant shifts in global crude flows are expected over the next decade. On the supply-side, the rise of US crude production and exports have played a major role impacting flows and regional balances. US crude production averaged 11.7m b/d in July 2019 – a doubling of production from 2010 levels. Since the lifting of the US export ban in 2015, exports have increased, reaching an average level of 2m b/d in 2018 (a doubling of 2017 levels). Several knock-on effects have resulted: first, US refiners have reduced imports of light-yield crudes from North Sea and West Africa. As a result, these barrels – mainly traded on a spot basis – have been diverted to Asia, earning their status as key ‘swing’ barrels for Asian refiners. Despite the ongoing US-China trade war, US crude is becoming a more regular staple of Asian refinery diets. US flows to South Korea have begun to displace competing CPC blend as WTI-Brent spreads have allowed for arbitrage opportunities. The growing role of US exports to both Asia and Europe is also taking place at the same time that pipeline deliveries from Russia (via ESPO) increase to China. Similarly, US sanctions against Iran and Venezuela have had the effect of re-directing greater volumes to China as USGC refiners cut Venezuelan purchases and Iranian flows previously destined for Europe are re-directed to Asia. Gulf producers have responded in turn. Saudi Aramco has expanded its marketing and trading activities in Asia through downstream ventures and targeting China's teapot refiners; Iran is building and expanding ties with China; Iraq’s State Oil Marketing Company (SOMO) has clamped down on resales of its crude in a bid to gain greater control over the secondary market of its Basrah crude grades; and Kuwait and Iran have offered Asian customers preferential credit terms. These are just some examples of how Gulf producers are shifting their overseas marketing and trading operations to adjust to the new realities of global crude flows. Against the background of this rising competition for market share in Asia, this paper aims to examine future trends in crude oil flows and their strategic implications for Gulf producers.



Jinsok Sung

Biography

Jinsok Sung is an energy market analyst with a focus on Asia Pacific natural gas market. He received Ph.D. degree in World Economy at Gubkin Russian State University of Oil and Gas. His Ph.D. dissertation is titled «Development of LNG market and comparative analysis of two natural gas pricing mechanisms in the North East Asia». His research focuses on energy markets, especially global natural gas/LNG markets. He spoke over 30 times in various renowned international industrial and academic energy conferences as speaker and published more than 30 papers on the issues such as competitiveness of LNG projects, analysis of natural gas/LNG markets and natural gas pricing systems. He graduated from Hanyang University in South Korea (faculty of economics) and received master's degrees at Russian State Gubkin Oil and Gas University. He previously participated in the research projects of LNG and Arctic Working Group at the Energy Center of Moscow School of Management SKOLKOVO as co-author of research reports on energy market.

Abstract

“Changing Paradigm in The Global LNG Market: Opportunities And Risks For Major Suppliers in The Gulf Region”

Beginning from early this decade, global LNG market is going through dramatic changes. The market is increasingly becoming oversupplied and competitive by new large volumes from Australia, USA and Russia. At the same time, share of Japan and South Korea, two of the largest LNG importers in the global LNG market is decreasing. At the same time, China, India and European countries are becoming new demand center and at the same time, countries in the South East Asia are emerging as important players in the market. Natural gas is the fastest growing fossil fuel and LNG demand is increasing even faster than trade volume of pipeline gas. Natural gas consumption is growing because infrastructure is more readily available around the world and its merit as environmental-friendly fuel is greatly helping its position in national energy mix in many countries, such as China, India and countries in South East Asia. At the same time, the LNG market has grown into more mature stage as new buyers and sellers keep on entering the



market. Due to the improvement of technology of floating liquefaction plants or floating regasification plants, entrance into global LNG market became easier, especially for smaller players. By using FLNG, buyers and sellers do not even have to invest billions in order to construct onshore LNG export and import plants. They can even rent the floating LNG vessels for several years, which is considerably easier and cheaper than building onshore LNG plants.

Traditional sellers and buyers are facing new era and exporters are experiencing unprecedented competitions as importers are left with more choices. There is enough supply in the market therefore, length of term LNG contract is becoming shorter and contract volume is decreasing. Supply surge is faster than demand hike. As a result, spot LNG price went down to one of the lowest levels in modern LNG history.

It is believed that the most important factor that caused oversupply in the global natural gas market is emergence of the US as one of the largest LNG exporters and closure of US market to sellers, which once regarded as one of the potentially largest natural gas importers in the world. Oversupplied LNG market is the domino effect of successful development of shale in USA.

However, the fact USA became major LNG exporter, instead of major importer, is not the only reason for changing market paradigm. Its geographical location has greatly helped the US LNG exporters become global swing supplier. LNG plants in the Gulf of Mexico can access Asia Pacific region and Europe, two of the most important markets, with ease. It was all made possible because of expansion of Panama Canal. In my opinion, there are only two swing suppliers, Qatar and USA, together with Mozambique in the future. However, it turned out to be the US LNG is not always cheaper than LNG from other sources, which was considered otherwise in the beginning of this decade when the US LNG projects began to take FIDs. US LNG is often pegged to Henry Hub, its domestic natural gas hub located in Louisiana. At the same time, Asian buyers began less inclined to sign long-term contracts indexed to Henry Hub prices and learned that it also has price-risks like LNG provided by other projects.

As competition in the market is reaching unprecedented level, price-competitiveness, credit ratings of sellers and ability to supply at desired timing are more valued than ever.



Strengthening competitions will not seriously affect the position of Qatar in the market due to following reasons:

- (1) Qatar LNG has one of the lowest break-even price
- (2) Swing supplier – Qatar can send LNG to any major buyers in the world
- (3) Exporter with proven track record
- (4) Qatar is located ideally from new demand centers, South Asia, South East Asia, Gulf countries and LNG demand in Europe is growing rapidly.

However, Qatar will face much stronger competition in the major importing countries in the East Asia due to new suppliers from Australia, US and Russia and LNG market price will be more likely lower than previous years. But it is anticipated Qatar will keep its position thanks to above-mentioned factors.

Naji Abi-Aad

Biography

During the past 35 years, Dr Abi-Aad has built a long career as energy economist and strategist, with a special focus on the Middle East. In 2012, he started acting as COO to Petroleb, an oil company based in Beirut and active in petroleum exploration offshore the East Mediterranean and the Gulf. In addition, Dr Naji was appointed in 2016 as the Senior Advisor to Tellurian Inc for the Middle East. Prior to his move to Lebanon, Dr Abi-Aad was serving for seven years in Qatar, first as Research Advisor for Qatar Petroleum (QP) and its Board of Directors Department, and as Media and Research Strategist in the Office of HE Qatar's Deputy Premier, Minister of Energy & Industry, before being appointed as Senior Advisor to the CEO of Qatar Petroleum International (QPI). Dr Abi-Aad studied at the American University of Beirut before been awarded a Ph.D. degree in Energy Economics from Grenoble University in France. During his long years of experience, he has been involved in extensive consultations, conferences and studies, particularly on oil and gas in the Middle East, their resources and supply prospects. He has authored over 100 reports and studies on Middle East energy issues, as well as a book on security of petroleum supply from the region.



Abstract

“Challenges for Middle Eastern Petroleum Exports: Regional Conflicts or Internal Instability?”

What are the main challenges impacting the exports of oil and gas from the Middle East to the global markets? The focus has always been on the regional conflicts such as the Arab oil embargoes applied in the aftermath of the 1967 and 1973 conflicts with Israel, the Iran-Iraq war in the 1980s, the Iraqi invasion of Kuwait in 1990, and the subsequent international sanctions against Iraq between 1990 and 2003, which had caused interruption of petroleum supplies from the region. Nevertheless, other important factors could well result in major disruption in petroleum exports from the Middle East, including the numerous internal causes of instability in most of the region’s countries. The list of these instability features is long and comprises the autocratic nature of many regimes there and the struggle for power, ambition and structure of armed forces, sectarian minorities and religious rivalry, ethnic heterogeneity and minorities, social impacts of economic constraints, demographic explosion, and troubles caused by foreign labour migration, as well internal flight and flows of refugees. These factors are most of the time interrelated and interdependent with the interstate conflicting issues such as ideological cleavages, military antagonisms and race, border disputes, disparity in economic development, divergence in petroleum policies, struggles over water, and disparity in population growth. Obviously, these conflict and instability factors together with the turbulent history of the area do not promise future stability: if it is not one country it is another, and if it is not one problematic issue it is another.

But a serious effort has to be done to at least identify those factors and try to deal with their negative impacts beforehand.

The paper aims to review the impacts of interstate conflict and internal instability on the exports of oil and gas from the Middle East through maritime channels, pipelines and petroleum installations, before analyzing the potential sources of instability and conflict, many of which could well be imminent and possibly dangerous.



Sujata Ashwarya

Biography

Dr. Sujata Ashwarya is an Associate Professor in the Centre for West Asian Studies [Middle Eastern], Jamia Millia Islamia, New Delhi. She received her MPhil and PhD degrees in West Asian Studies from Jawaharlal Nehru University, New Delhi. Till recently (June-September, 2019), she was Asia Studies Visiting Fellow at the East West Centre, Washington DC. She has been awarded research fellowships at the Rothberg International School, Hebrew University of Jerusalem, Israel; Maison des Sciences de l'Homme (MSH), Paris; and Schusterman Centre for Israel Studies, Brandeis University, USA. She was also affiliated as a researcher at the Faculty of World Studies, University of Tehran, Iran. Her research interests include political economy of energy and security and foreign policy of the Middle Eastern countries. She has more than 30 published research articles and has written, edited and co-edited 5 books. Her latest book is, *Israel's Mediterranean Gas: Domestic Governance, Economic Impact, and Strategic Implications* (Routledge, 2019).

Abstract

“Situating Gulf’s Oil and Gas Supply to Asia: Implications of US Shale Boom, Iran Sanctions and Trade War with China”

The Middle Eastern Gulf region is Asia’s traditional supplier of oil and gas. However, in the past two years, record oil and gas oil volumes from United States have headed into Asia, riding high on the shale boom. While US has emerged as world’s top oil and gas producer in 2018, it should not obscure the fact that Gulf

still accounts for one-third of global oil production, one-sixth of gas production, 48 percent of proved oil reserves, and 38 percent of proved gas reserves. However, Gulf oil and gas markets are facing an unprecedented wave of political-economic currents. With the re-imposition of sanctions, the Trump administration is seeking to drive Iran’s oil exports to zero, an unintended consequence of which has been to moderate the impact of bumper US output on oil prices. Yet, as the United States ratchets up trade war with China and the two countries impose tit-for-tat tariffs, crude prices are declining amidst trade tensions and fears of a global



recession. Beijing has imposed retaliatory tariff on LNG from United States, but has so far avoided an outright tariff on oil, opting instead to taper these purchases.

US crude oil producers nonetheless continue to find eager market in Korea, Japan and India – all importing record volumes to make up for the loss from Iran. Asian buyers, except China, are also importing LNG from the United States in a big way. The jump in US oil and gas exports to India, South Korea and Japan is also supported by another implicit aspect. It comes as the Trump administration continues to push Asian consumers to buy more, so that United States can reduce trade deficit with them through larger sales. Consequently, Asia's biggest consumers, including China, are left to grapple with challenges emanating from the loss of crude under sanctions, escalating trade antagonism between Washington and Beijing, and having to agree to narrow their trade surpluses through the purchase of oil and gas from US suppliers. Given this scenario, the following is argued: First, Asian consumers must keep their supply sources expanded to the widest possible extent, to hedge their bets in case of supply shocks emanating from political decisions. Secondly, the best possible supply option for the Asian consumers come from the Gulf states, as they collectively produce and export more than US suppliers. Thirdly, oil and gas supply from the Gulf region to Asia is highly facile, given geographical proximity that translates into low freight charges and cost of insurance. Fourthly, the US shale boom is vulnerable to drilling intensity and oil pricing shifts. Any sudden decline in oil prices can make intensive drilling less competitive, leading to a rapid decline in production. Lastly, in terms of price, crude from the Gulf region suits the large consumers in Asia better than that supplied from the US fields, as American crude being sweet and light, is more expensive. This problem is especially acute for Indian refiners inured to Gulf's heavy crude.

Robert Czulda

Biography

Robert Czulda. Specialist in international security, defence, Iran and the Middle East; assistant professor at the University of Lodz, Poland; Freelance contributor to Atlantic Council. Between 2017-2018 Visiting Scholar at Center for International and Security Studies at Maryland (CISSM) under Fulbright Senior Award. Alumnus of the Young Leaders' Dialogue of the US Department of State (2010-2011), Visiting Lecturer at universities in Iran, Ireland, Lithuania, Turkey and Slovakia, as well as the National Cheng-chi University in Taipei. Freelance defence journalist and



contributor to IHS Jane's. Travels to Iran regularly. Author of various papers about Iran and of a book entitled *Iran 1925–2014. Between Reza Shah and Hassan Rouhani*.

Abstract

“Military Challenges for Hydrocarbon Export from the Gulf – An Assessment of Iranian Motives and Methods of Causing Disrupt”

The Gulf is a sub-region where crises – including wars – occur from time to time. Alarmist tones of warnings against inevitable war with Iran also appear on a regular basis. Although it seems that war rhetoric is only a theatrical play, one can never be sure that it will not break out accidentally; for example, when one side misreads the intentions of its enemy. Recent attacks on infrastructure and tanker hijacking clearly show that the situation is now extremely serious. A scenario of open hostilities is more likely than before and, at any moment, it could turn into an open confrontation. Another war in the Gulf – especially with a large and important country like Iran – would have global consequences. The Strait of Hormuz is the world's vital oil artery. According to available data, in 2018, roughly 18 million barrels of oil left this narrow chokepoint every day.

In this paper, it is argued that if a war breaks out, the main battlefield would be particularly the Gulf, where several countries – including the United States – are present. The main goal of this paper is to (1) present Iran's broad policy in the Gulf – including its political, ideological, economic and military motives vis-a-vis the Gulf – as well as to (2) present and critically analyze possible methods of conducting a war in the region. It is stated in the paper that the naval dimension plays an important role, as it would be the Iranian's first line of defense. No wonder that the Supreme Leader, Ali Khamenei, called it a “strategic force.” From a military perspective, the fleet must secure two areas — (1) the Gulf and the Oman Gulf, as well as (2) the Caspian Sea. From a defensive war point of view, the Gulf is more important. The Iranians have drawn conclusions from history — especially from naval skirmishes with the United States during the Iraq-Iran war in the 1980s, and the Iranians understood that using asymmetrical tactics in a naval campaign is the only feasible option.

It is argued that the planners in Tehran are likely to understand that an open and direct engagement with the U.S. Navy would be suicide, and casualties would be much higher than those of operation “Praying Mantis.” It is highly likely that in the case of war, Iran would also use “hit-and-run” tactics in its naval operations. Those



operations would be based on deploying large numbers of small, high-speed and hard-to-detect boats equipped with missiles, mines (mainly from civilian boats) and torpedoes; flying boats (like the missile-equipped Bavar-2); potentially, suicide boats (also civilian); anti-ship missiles (naval-based and coastal batteries) and even oil spills against its enemy. It may also not be ruled out that Iran would in the future extensively use combat UAVs armed with either guided or unguided bombs, or anti-ship missiles. It is argued that all those methods would have devastating consequences for any hydrocarbon export from the Gulf.

Najam Abbas

Biography

Following over nine years of constant stay in Central Asia helped Dr. Najam Abbas witness first-hand about that complex region's changing configuration amid the cautious yet steady growth in China's energy pursuits in the wider region. His more recent interests have prompted him to probe about and contribute on how China's 21st Century Maritime Silk Route crisscross with India's interests in the region generally and in the Persian Gulf particularly.

His analytical contributions have placed him as non-resident Senior Analyst (Central & West Asia) for the Brussel based EastWest Institute since 2008. In that capacity his analyses is frequently sought on geo-economics of energy as pursued by Russia, Central Asian states and Iran by BBC Urdu, Hindi, Uzbek and Kyrgyz services as well as on Anatolian News Agency's websites besides Aljazeera Arabic and English.

Dr. Abbas is fluent in Russian, and is conversant in Arabic and Farsi which earned him a full-time London based position on the panel of editor of Encyclopaedia Islamica published since 2008 from Leiden (Holland).

Abstract

“Dimensions and Dynamics of Delhi's Diversified Energy Pursuits in the Persian Gulf”

The anticipated growth in the Indian economy in the coming decades will engender an increased dependency on imported energy supplies. A considerable portion of these will be shipped through the Persian Gulf. Delhi's demands in the next



decades will reconfigure the multifaceted dynamics between India and the Gulf States as suppliers with India being required to secure and diversify its long-term energy imports from existing suppliers. For that purpose, it will need: (1) to increase its imports through conventional shipping lines; (2) to explore how additional supplies could come from Iran and Oman through the Middle-East to India Deepwater Pipeline (MEIDP) to import gas; (3) to explore linking Iran's Chabahar port to Kandla on India's west coast; (4) to arrange supplies of Liquefied Natural Gas from Russia's Vladivostok to Chennai on the Indian east coast. Recent energy negotiations with Tehran reflect Delhi's desire to seek a wider coordination of Iran's future energy supplies to meet India's energy needs. At a time when Iran is under "incessant pressure", Delhi is aspiring to procure sizeable energy supplies in exchange for its support in building the terminals at Chabahar port. India is prepared to compete with China to secure a sizeable share of Iran's energy supplies. In offering material support to Iran, India is seeking not only to deter prospect of China purchasing the lion's share of the gas supplies, but also to defer, at least in the short term, Chinese investment in Iranian oil and gas projects. The Indian Prime Minister's recent UAE visits were aimed at increasing bilateral trade by 60% over the next five years and attracting \$75 billion of UAE investments into India's infrastructure development, spanning ports, airports, highways and petrochemical projects. Another step towards meeting future energy needs is securing the \$15 billion investment from Saudi Aramco for Indian Reliance Industries Limited's oil-to-chemicals business. It is expected that gas output from that integrated development will contribute to meet the country's growing gas needs by 2022. In revenue terms, this will help India save \$20 billion through LNG import substitution. The potential advantages this could bring to India include: (a) expanding its ports' capacity; (b) diversifying suppliers; and, (c) reducing supplier dependency.

This paper will also the three perennial dilemmas Delhi faces, namely, domestic deficiency, external dependency and the persistent discrepancy (between growing demand and available supplies) although the Indian leadership ranks energy security as second only to food security. The paper will conclude by identifying four factors which will drive the strategic partnership between India and the Persian Gulf states, namely: (1) the race for energy resources; (2) the role of remittances; (3) regional ambition; and (4) regional rivalry. Hence each side has its own geopolitical objectives where alliance-making is driven by rising commercial-maritime interests, and the imperative to counter traditional enmities is driven both (a) by the Sino-Indian competition as well as (b) by the Saudi-Iranian rivalry in the Gulf.



Ian Parmeter

Biography

Ian was an Australian diplomat for 25 years, working within the Department of Foreign Affairs and Trade (Australia's Foreign Ministry). His diplomatic postings included Egypt, Saudi Arabia, Syria, Russia (as Deputy Head of Mission) and Lebanon (as Ambassador). From 2004 to 2015 he was with the then-Office of National Assessments (now Office of National Intelligence), Australia's primary foreign policy analytical agency, within the Prime Minister's portfolio. There he had a Senior Executive role as Assistant Director-General responsible for analyses of the Middle East, South Asia and Africa. Since 2015 he has been a Research Scholar at the Centre for Arab and Islamic Studies, Australian National University, where he researches and lectures on Russian policy towards the Middle East in the Putin era.

Abstract

"Russia's Energy Strategy and its Impact on Gulf Energy Markets"

The economies of Russia and the Gulf states are dependent on extraction and export of their hydrocarbon resources. Saudi Arabia and Russia are the world's largest oil exporting countries, with Russia and Qatar the largest natural gas exporters.

Gulf energy exporters are therefore unable to determine global prices by themselves. They need to cooperate with Russia – which has not always been achieved. When they work together, as they have in relation to oil since 2015, they have managed to boost prices to their combined benefit. On the other hand, Saudi Arabia's overproduction in 2014, aimed at weakening Iran's oil returns, caused collateral damage to the Russian economy. That said, Russia and Gulf energy producers have a common and powerful competitor in US shale production, so they have a strong incentive to work together. Moreover, Gulf producers and Russia compete with each other for export markets, with Asia and particularly China emerging as the main battleground. China's imports of Russian oil grew from 9% to 15% over the past six years, with a consequent decline in imports from Saudi Arabia to under 13%. Similarly, Qatar and Russia are competing in natural



gas exports to China. Qatar is ahead on LNG, having signed in 2018 a 22-year export agreement with China. But Russia dominates in pipeline exports, with over 90% of Russian gas to China delivered in that way. Though there is room for both, given China's rapidly growing demand, Russia is hamstrung by its limited LNG export capacity.

In this context, President Putin signed earlier this year an update of Russia's Energy Security Doctrine. The Doctrine underlines the importance of energy as a key source of Russian power and influence. It examines the geopolitical and external economic challenges Russia faces in maximizing production and export of its energy resources. These include Western sanctions following Russia's annexation of Crimea and the war in eastern Ukraine, consequent production difficulties due to restrictions on import of Western extraction technology, and an international trend towards greener economic models. Among solutions, the Doctrine stipulates that Russia must become a global player in LNG markets, particularly through major gas extraction projects in the Arctic. Associated with this is the goal of enhanced technological independence through use of Russian-developed technology and equipment in energy investment projects.

The proposed paper will examine how Russian and Gulf energy strategies are likely to impact on each other over the coming 10 years. In particular, it will analyze the likely effect of Russia's new Energy Security Doctrine on the Gulf energy market, and the scope for cooperation between Russia and Gulf hydrocarbon exporters including in terms of reciprocal investment (taking the Qatar Investment Authority's investment of \$11.3 billion in Russia's Rosneft as a model). The paper will also examine the export potential for Russia and Gulf energy producers in Asia, and the risks and likely consequences of competition between them in exploiting these markets.

Vorachai Israsena Pichitkanjanakul

Biography

Vorachai Israsena Pichitkanjanakul is a Ph.D. Student at the Gulf Studies Programme at Qatar University. His research focuses on the GCC states' relations with China and ASEAN, and also on nation branding and economic diversification in the Gulf region. He is a Sorbonne graduate in International Trade and Asia-Pacific Studies, and also a member of the Oxford University Foreign Service



Programme where he completed his postgraduate studies in Diplomatic Studies at Kellogg College.

Abstract

“The Gulf States and the Petroyuan”

The introduction of the petroyuan has caused a significant shift in the global energy market today. As a result, the new financial system will appear in a new crude pricing benchmark based in Asia, known as the Shanghai International Energy Exchange. The IMF added Chinese currency, Yuan, as a global currency in 2016, which has created an opportunity for China. Despite being the new-coming petrocurrency to challenge the petrodollar, the petroyuan has a significant potential to influence international trade not only because of its GDP but also because of its influence on developing economies. Taking advantage of the US

sanctions, this has made the emergence of the petroyuan a sign of relief for countries, for example, Russia or Iran to be able to trade without using the US dollar. The GCC states are among the biggest suppliers of crude oil to China. Moreover, with the Look East policy, the GCC has made such significant moves towards the petroyuan. Therefore, the petrodollar and the petroyuan would become a case of an economic curtain for the GCC states. For that reason, it would need to adjust to the market by embracing or considering to adopt the petroyuan as an alternative. This paper discusses the importance of the petroyuan, the role of China as a non-regional player.

Kristian Coates Ulrichsen

Biography

Kristian Coates Ulrichsen, Ph.D., is a Baker Institute fellow for the Middle East. Working across the disciplines of political science, international relations and international political economy, his research examines the changing position of Persian Gulf states in the global order, as well as the emergence of longer-term, nonmilitary challenges to regional security. Previously, he worked as senior Gulf



analyst at the Gulf Center for Strategic Studies between 2006 and 2008 and as co-director of the Kuwait Program on Development, Governance and Globalization in the Gulf States at the London School of Economics (LSE) from 2008 until 2013.

Coates Ulrichsen has published extensively on the Gulf. His books include “Insecure Gulf: the End of Certainty and the Transition to the Post-Oil Era” (Columbia University Press, 2011) and “Qatar and the Arab Spring” (Oxford University Press, 2014). In addition, he is the author of “The Logistics and Politics of the British Campaigns in the Middle East, 1914-22” (Palgrave Macmillan, 2011) and “The First World War in the Middle East” (Hurst & Co, 2014). His most recent books include “The Gulf States in International Political Economy” (Palgrave Macmillan, 2015) and “The United Arab Emirates: Power, Politics, and Policymaking” (Routledge, 2016). Coates Ulrichsen’s articles have appeared in numerous academic journals, including *Global Policy* and the *Journal of Arabian Studies*, and he consults regularly on Gulf issues for Oxford Analytica and the Norwegian Peacebuilding Resource Center. He also writes regularly for the Economist Intelligence Unit, Open Democracy, and Foreign Policy, and authors a monthly column for Gulf Business News and Analysis.

Coates Ulrichsen holds a doctorate in history from the University of Cambridge.

Abstract

“The Geopolitics of Energy Transitions in Arab Gulf States”

The energy-based political economies of the Arab Gulf States are entering a period of significant change as a combination of domestic challenges and regional tensions intersect with the rise of a new generation of more assertive leadership. Officials in all Gulf Cooperation Council (GCC) states have adopted long-term strategic plans designed to bring about and ease the transition to economies in which hydrocarbons would assume a smaller, yet still critical, role. This paper examines some of the broader geopolitical trends which have emerged in recent years to form the unexpected new parameters within which the energy and economic transitions will now take place. These include the enduring blockade of Qatar by neighboring states, the unpredictability and volatility of U.S. actions and policy objectives in the region, and the vulnerability of critical infrastructure to asymmetrical and unconventional attacks. Together, these factors have reshaped threat perceptions and this paper will conclude by analyzing the impact of these trends on the next phase of development in region wide energy sectors and markets.



Nikolay Kozhanov

Biography

Nikolay Kozhanov is a Research Associate Professor at the Gulf Studies Center of Qatar University. His research focuses on the geopolitics of Gulf energy, Russian foreign policy in the Middle East as well as Iran's political economy. Nikolay holds his PhD in economic security from St.Petersburg State University (2010). He also has an MA degree in Oriental Studies (2006, St.Petersburg State University) and MA degree in Middle Eastern Studies (2012, University of Exeter).

Abstract

“The privatization of Saudi ARAMCO and the future of national oil companies of the Gulf”

On November 3, 2019, Saudi Arabia announced that the national oil company, Saudi Aramco, would be partially privatized. The process is scheduled to begin on November 17. This news made a lot of noise. First, for the first time in decades, individuals (and possibly foreigners) will be able to purchase shares in one of the country's most important corporations. Secondly, we are talking about the privatization of the company, concerning which it is customary to speak in superlatives. "It is the largest oil producer in the world, with the lowest production costs, and has a reputation for being extremely well run, all of which have helped it become the most profitable company on the planet" says Simon Henderson, one of the leading experts on the oil and gas sector of the Gulf States, a fellow of the Washington Institute for near East policy. However, this "superlative degree" does not guarantee an equally excellent privatization.

The father of the idea to privatize the part of Saudi Aramco was the crown Prince and de facto ruler of Saudi Arabia Mohammed bin Salman (83-year-old king Salman, as it is believed, is ill and handed over the reins of power to his son). The intention to bring Saudi Aramco to the IPO is explained by the need to find additional funds for the implementation of the Vision 2030 project-a large - scale program to diversify the Saudi economy and carry out structural changes in the country. Among other things, the money from the privatization of the company should go to create about a million new jobs, primarily for the younger generation of Saudis. Having satisfied their request for employment and self-realization, Mohammed bin Salman expects to multiply the number of his supporters. The political points thus gained will be useful to him when the issue of succession is



decided; the current status of crown Prince does not guarantee him the crown, especially given that part of the Saudi elite is unhappy with his reforms. The Saudi Royal court has plenty of reasons to be cautious. First, privatization will require the disclosure of financial and technical details about the company's activities. This is something Riyadh would like to avoid. And it's not only about the traditional dislike of the Saudis to openness. More importantly, the process may reveal that the oil giant is a "paper tiger" - that is, that Saudi Aramco is not as efficient and rich as people think. In addition, the Saudi state apparatus believes that the disclosure of the volume of real oil reserves of the Kingdom can harm the country. Thus, the availability of information about Saudi Aramco could make its assets more vulnerable to lawsuits, especially if the U.S. finds that Saudi Arabia is directly involved in the terrorist attacks of September 11, 2001.

Secondly, Saudi Aramco is a "national oil company". In the Arab monarchies of the Persian Gulf, this means that the enterprise is more than just a business structure. On the one hand, its activities generate income, a significant part of which is used to maintain the existing social contract in these countries. This contract implies that the state provides various benefits, and those in return refuse part of political freedoms (for example, the expression of will in elections). On the other hand, the national oil company is itself part of this contract, creating additional and not always justified in terms of managerial efficiency jobs for the local population (usually sinecure). In addition, the national oil company can serve as an instrument of foreign policy, playing the role of a conductor of soft power to the detriment of the same business interests. However, privatization implies a shift in the company's policies in favor of greater economic efficiency and greater focus on the Saudi Aramco's role as a business structure.

Amir Safari

Biography

Dr. Amir Safari is a senior international advisor on research, innovation, and business development in energy management. Amir joined –in 2010– Dept. of Mechanical & Structural Engineering at the University of Stavanger, UiS, in Norway and also the Simon Fraser University in Vancouver, Canada, for PhD study in computer simulation driven design optimization; working on development of sophisticated optimization techniques for high-dimensional black-box engineering



problems. Then, he has been Assistant Professor and a three-year postdoctoral research fellow in energy system integration, optimization, operation, and management in Dept. of Energy & Petroleum Engineering, at the UiS.

In 2016, with an extensive background from energy management, he has founded and established the company Euro Energy Solutions AS, Energiring Group with HQs in Europe and Middle East. Energiring performs a variety of tasks for its energy business clients -both renewable and O&G sectors-, offering them the best innovative solutions and alternatives to be more sustainable. The companies mainly have corporation structure and mutually beneficial partnership with well-known international organizations, sharing proven energy-saving and environmental-friendly strategies and technologies. The main fields of activity include smart cities, energy efficiency and distributed generation, renewable sources and energy informatics, and gas-driven innovation.

Currently, Amir is also an Adjunct Associate Professor in Energy Informatics in Dept. of Electrical Engineering & Computer Science at the UiS, Norway. His focus in this position is to contribute to graduate students' supervision, course and/or programme development, Norwegian/EU research and innovation applications, international multilateral collaboration, and interdisciplinary European projects in field of energy associated with ICT and digitalization.

Abstract

“Roadmap for hydrogen society/economy supported by petroleum sector”

Intergovernmental Panel on Climate Change (IPCC) special report on Global Warming of 1.5°C presents the assessment concerning accelerated deep decarbonization, which is at the core of global mitigation strategy. The same report also presents the high agreement and robust evidence of risks in faster and deeper mitigation strategies through possible threats to multiple social and economic dimensions of sustainable development for both countries with rich hydrocarbon resources and nations with high dependency on fossil fuels for revenue, economic development and employment generation. The same concerns are also presented in literature on just transition, which are representing the arguments concerning possible job loss, loss of investment flow despite new resource identification, high risks of stranded assets, lower revenue earning with fluctuating oil and gas prices, and dwindling resources. Another set of literature on policy instruments talk of need for diversification of economy and energy sector to ease these adverse consequences of transition and need for creating enabling conditions. The



diversification discourse is mostly dominated by focus on new investment opportunities limited to wind and solar energy sectors. At the same time, the countries at risk discussion get dominated by GCC (Gulf Cooperation Council) countries.

On the other hand, all these discourses ignore multiple challenges and realities in many small but fast emerging developing country perspectives. Therefore, this paper presents and discusses a possible energy transition roadmap, where the existing infrastructures and resources are utilized as enablers for a faster and deeper cross-sectorial decarbonization. The research question of this paper is how can accelerated global transition address the 'trio': 'just, sustainable, and peaceful' transition through cooperation with oil and gas dependent emerging economies and what is the potential for leapfrog. We refer this 'trio' with reference to oil and gas based fossil fuel energy systems, which is caught up in a complex combination of problems due to likely uncertainty and redundancy of human resource currently engaged in the sector, stranded asset due to prospective early retirement of infrastructure and projected reduction in investment, and need for finding substitute of fossil based energy carrier to cleaner, renewable energy carrier.

In this way, development of hydrogen society/economy have been pointed out as possible roadmap for accelerated decarbonization, by solving the problem of affordable large scale energy storage from intermittent renewables and enabling continuous use of combustion based technologies without carbon emission. Our hypothesis is that paving the way for and realization of the future hydrogen economy can be accelerated by utilization of natural gas and petroleum-related knowledge, technologies, experience, and infrastructure. Large scale hydrogen production via conversion of existing technologies for gray hydrogen (hydrogen from natural gas without carbon capture and storage) to blue hydrogen (hydrogen from natural gas with carbon capture and storage), will create a functioning hydrogen market and support development of hydrogen based energy conversion technologies to pave the way for green hydrogen (hydrogen from renewable energy sources).

This paper includes an introduction part, and then, the issue are discussed from economical, environmental, societal, and technological points of view. Finally, a comprehensive roadmap for launching a hydrogen hub (HH) for the Gulf region is proposed from a geopolitical aspect.



David Jalilvand

Biography

Dr David Jalilvand is an analyst and consultant, advising businesses and organizations on issues at the intersection of politics, economics, and energy in the Middle East. He is CEO of Orient Matters, a Berlin-based consultancy.

Abstract

“Iran, energy, and geopolitics in 2019: From “strategic patience” to “lose-lose” ”

In the geopolitical rivalry between Iran and the United States, energy is in the spotlight. Since the US exit from the nuclear deal (the Joint Comprehensive Plan of Action, JCPOA) in May 2018 and the launch of the “maximum pressure” campaign against Tehran, Washington seeks to curtail Iran’s oil exports. Trying to bring Iran’s oil exports to “zero”, by the beginning of May 2019, the Trump administration ended all “significant reduction exceptions” (often referred to as “waivers) for importers of Iranian oil.

Only days later, Tehran changed its strategy. For a full twelve months after the US departure from the nuclear accord, Iran pursued an approach described by Iranian officials as “strategic patience”: Tehran remained in full compliance with the JCPOA in the hope that the European Union would ensure at least a partial compensation. Exactly one year after the US announced to exit the JCPOA, on May 8th, President Hassan Rouhani announced a 60-day deadline for Europe to ensure sanctions-relief and threatened to reduce JCPOA compliance.

Over the summer of 2019, Iran not only started to breach several key limits under the JCPOA. The Persian Gulf region also saw a deterioration of its security situation. Iran shot down a US drone in June 2019. Moreover, since May, a number of attacks against oil tankers departing or anchoring in the Arabian Peninsula as well as against oil infrastructure in Saudi Arabia occurred. While Tehran denies responsibility, the incidents call to mind earlier statements by the Iranian President. In December 2018, Rouhani warned that “If one day they want to prevent the export of Iran’s oil, then no oil will be exported from the Persian Gulf”.

Effectively, Iran now pursues a “lose-lose” strategy, which seeks to inflict costs for the US and its allies in the region over its sanctions-policy against Iran as well as to build leverage for potential negotiations in the future.



Effectively, Iran now pursues a “lose-lose” strategy, which seeks to create a nexus between US economic sanctions (esp. against Iranian oil), nonproliferation, and regional security. Ultimately, Tehran thereby hopes to inflict costs for the US and its allies in the region over the sanctions-policy against Iran as well as to build leverage for potential negotiations in the future.

Against this backdrop, the paper will discuss:

- The run up to May 2019
 - The US exit from the JCPOA & sanctions
 - Tehran’s “strategic patience”
 - Europe’s unsuccessful efforts at sanctions-relief
- Main events since May 2019
 - Iran’s reduced JCPOA compliance
 - Regional security situation
- The rationale behind Iran’s new approach
 - Under “strategic patience”, the US “maximum pressure” campaign had no costs for Washington and its allies
 - Tehran’s efforts to inflict a price for the sanctions-policy
 - Tehran’s efforts to showcase its capabilities / highlight vulnerabilities of neighboring countries
 - Tehran’s efforts to build leverage for future negotiations
- Why Iran feels vindicated
 - US hesitant to confront Iran militarily
 - UAE changing policy (dispatching delegations to Iran, easing restrictions on Iranian business in Dubai, changing policy in Yemen)
 - Saudi Arabia apparently reaching out to Iran via Iraq
 - EU did not trigger the JCPOA dispute mechanism

Mohammad Mahdi Hajian

Biography

Mohammad Mahdi Hajian is an Assistant Professor of Law and Political Sciences Faculty and Head of Oil and Gas Professional Committee at Allameh Tabataba’i University, the greatest university in Humanities in Iran. During several years of his academic experience. He has deeply focused on Energy Law fields including teaching PhD and MA courses, supervising PhD dissertations and MA thesis, publishing scientific papers, as well as managing international conferences and professional workshops. Moreover, as an attorney at law at Iranian Central Bar



Association and CEO of Iranian Law Foundation, he has an outstanding profession in advocacy and legal advising.

Abstract

“Regional Cooperation: A New Legal Approach for Managing Common Resources of Oil and Gas in Persian Gulf”

At present, common resources of oil and gas in different regions of the world do not have a similar legal pattern. Regarding political, economic and geopolitical situations and also historical facts in different regions, there are different legal regimes on common sources. Mainly, three legal mechanisms are identified in this regard. The first legal pattern known as "no scaling" is applicable for common sources which are within the national sovereignty of a country and owned by some private companies; of which, a distinguished sample is common sources of USA. This pattern has two major principles; one of them is Surveillance Management and another one is Cooperation in exploiting sources.

The latter legal patterns called as "Unitization" is specified for resources within the national sovereignty of two or more independent allies. A distinguished sample of this pattern is the common resources of North Atlantic Sea which owned by England and Norway. In this legal pattern, after discovery of the sources, the two parties apply the Unitization Principle and determine technical and legal prerequisites; thereby, all development and exploitation actions are performed uniquely by one or more specialized companies.

The third mechanism in fact is not a legal pattern. Actually, not cooperating in development and exploitation of common sources is the main characteristic of the third mechanism. A distinguished sample of this pattern is management of common resources in Persian Gulf. In this mechanism, both Surveillance management and cooperation principles are neglected. Each of interested parties pursue their own goal of maximizing exploitation and their own profit without considering other parties' benefits and win-win approach. Although the most expanded volume of common sources of oil and gas is located in Persian Gulf, there is no proper legal pattern for exploitation and management of these resources. Moreover, efforts like passing bilateral agreements were not adequate for enacting a proper legal pattern in this geopolitically-strategic region of the world.



Applying successful experiments in the world, especially in the field of cooperation and Surveillance Production, with investigating Strengths, Weaknesses, Opportunities and Threatens, the present research aims to present a new approach for determining legal pattern for common sources in Persian Gulf. With recognizing the role of applicable bilateral agreements, the main characteristic of this approach is multilateral agreement constituting regional cooperation. Based on the approach presented by this paper, such multilateral cooperation would be managed by a legal body in which all countries owning common resources in Persian Gulf and also OPEC and GECF will collaborate. The community constituted according to the new approach will constitute principles governing production and exploitation of common resources in Persian Gulf. This regional cooperation will handle environmental challenges and also transportation of products from this region in a win-win approach; besides developing Surveillance production and conservation of resources.

Keywords: Common Resources, Oil and Gas, Regional Cooperation, Surveillance Production, Persian Gulf

Azra Banafsheh Keynoush

Biography

Dr. Banafsheh Keynoush is an independent scholar of international affairs. Recently a visiting scholar at Princeton University in 2017-2018, she is also the author of *Saudi Arabia and Iran: Friends or Foes?* (New York: Palgrave Macmillan, 2016, also available in Arabic and in Persian), and the editor of *Iran's Interregional Dynamics in the Near East* (New York: Peter Lang, forthcoming 2020).

Abstract

“Challenges to Re-Structuring Iran’s Energy Industry”

Ad hoc macro policies to generate added value revenue from crude oil, in part by investing in petrochemicals, drives Iran’s energy sector to mitigate the impact of US-led sanctions. Similar policies aim to offer crude oil to markets despite sanctions. Petrochemicals’ quick financial returns on products that are easily exportable have not increased industrial production in the sector. Government regulation efforts are challenged by private and semi-state private enterprises,



though they remain codependent on state financial instruments and industry support. As a result, Tehran needs oil and gas revenues that are harder to generate. But a lack of cohesive strategy in energy sector restructuring hampers Iran's drive to revitalize upstream production and petrochemicals, leaving the country on the margins of world trade. Iran does not have a clear commercially feasible vision in the process of this restructuring, given that it must also constantly adapt to sanctions, leading even to a failure to diversify production in petrochemical downstream sectors, while upstream industries are hit by sanctions. Revamping production and sales in the energy and petrochemical sectors has had mixed results. This abstract offers to assess the restructuring underway in Iran's energy sector on three levels:

Domestic Tehran offers a fixed foreign exchange currency rate to local producers of petrochemicals to enable competition in regional markets, and return of profits at the same currency rates to reinvest in the sector. But High Consumer Price Index (CPI) measured inflation rates last year point to the petrochemical sector's decline. Another major challenge is a failure to integrate Iranian firms with foreign firms, to revamp the country's industrialization, ability to meet international operational standards and sustain revenues. In the oil sector, Iran has offered to barter oil for local goods and services, to enable sustained levels of production and robust domestic markets. But previous efforts to barter oil domestically, and offer oil stocks in the market have failed to attract investors due to uneasy local markets.

Regional Iran sustained petrochemical exports to countries like Iraq and Turkey. It is also considering a Russian offer to barter Iranian oil for goods, and to sell the oil in the Caucasus. Challenges persist in Iran's ability to have access to regional markets through Russia. Efforts to develop joint oil fields with neighbors including Iraq progress but also halt due to sanctions, while Tehran insists on developing shared resources with neighbors. It also tries to export gas.

International OPEC and non-OPEC agreements to increase oil production, and a subsequent Saudi offer to replace Iranian oil in markets in May 2019, led to instability in Iran's oil sector. Iran wants Russia to avoid a stance in support of US goal of zero production of Iranian oil. But Russia continues to work with the US and Saudi Arabia on oil pricing, posing a challenge for Iran that could also spell an end to its ability to impact OPEC pricing. The uncertain fate of Iran's nuclear deal and its impact on selling oil and gas to Europe and Asia has kept the country on the margins of major regional energy trends.



Gawdat G. Bahgat

Biography

Dr. Gawdat Bahgat is professor of National Security Affairs at the National Defense University's Near East South Asia Center for Strategic Study. He is an Egyptian-born specialist in Middle Eastern policy, particularly Egypt, Iran, and the Gulf region. His areas of expertise include energy security, proliferation of weapons of mass destruction, counter-terrorism, Arab-Israeli conflict, North Africa, and American foreign policy in the Middle East.

Bahgat's career blends scholarship with national security practicing. Before joining NESAC in December 2009, he taught at different universities. Bahgat published twelve books including *Security and Bilateral Issues between Iran and Its Arab Neighbors* (2016), *Energy Security in the Gulf* (2015), *Alternative Energy in the Middle East* (2013), *Energy Security* (2011), *International Political Economy* (2010), *Proliferation of Nuclear Weapons in the Middle East* (2007), *Israel and the Persian Gulf* (2006), and *American Oil Diplomacy* (2003). Bahgat's articles have appeared in *International Affairs*, *Middle East Journal*, *Middle East Policy*, *Oil and Gas Journal*, and *OPEC Review*, among others. His work has been translated to several foreign languages.

Bahgat served as an advisor to several governments and oil companies. He has more than 25 years of academic, policy and government experience working on Middle Eastern issues. Bahgat has contributed to CNN, BBC, Washington Post and Al-Jazeera. He has spoken at Tufts University, Columbia University, London School of Economics, Swiss Federal Institute of Technology in Zurich, Swiss Foreign Ministry, Yildiz Technical University in Istanbul, Qatar University, Kuwait University, Oman Diplomatic Institute, King Faisal Center for Research and Islamic Studies (Saudi Arabia), Griffith University (Australia), India School of Business (Hyderabad, India), Institute of Military-Aeronautic Sciences (Florence, Italy), University of Viterbo, (Rome, Italy), and Institute for International Political Studies (Milan, Italy).

Abstract

“Prospects for Alternative Energy in the Gulf”

The Middle East region holds the world's largest oil and natural gas proven reserves. Several Middle-Eastern states are major oil producers and consumers.



Given price fluctuations and environmental concerns, many countries have sought to diversify their energy mix. The Middle East is no exception. This paper analyzes the geopolitical, economic and strategic forces behind this diversification in the Middle East and highlights the main advantages and disadvantages of each source of energy.

Ahmed Mohamed Badran

Biography

Dr. Ahmed Badran is an Assistant Professor of Public Policy at Department of International Affairs College of Arts and Sciences, Qatar University. Dr. Badran holds a PhD degree in Politics (Public Policy) from the University of Exeter, the United Kingdom. The topic of his PhD thesis is “The Regulatory Management of Privatised Public Utilities: A Network Perspective on the Regulatory Process in the Egyptian Telecommunications Market”. Dr. Badran also holds a Masters of Research degree (MRes) in Public Administration from the School of Economics and Political Science, Cairo University and a BSc degree in Political Science (Major) and Public Administration (Minor) from the same institution. Before joining Qatar University Dr. Badran, has worked as a Lecturer in Politics and Public Administration at the Politics Department, University of Exeter, the UK. Dr Badran has an extensive teaching and research experience in the field of Public Policy and Administration. He designed and delivered several postgraduate and undergraduate courses including: Strategic Management and Leadership Dynamics in the Public Sector, Politics of the public Sector, Power Politics and Leadership, Business and Politics, New Public Management in Theory and Practice, Total Quality Management & Excellence in Public Services Provision as well as Making and Implementing Public Policies. Dr Badran has also worked as a Post-Doctoral Research Fellow at Aston Centre for Critical Infrastructure and Services (ACCIS), Aston Business School, Aston University, Birmingham, the UK. Dr. Badran’s research interests extend to cover different areas of the regulatory governance and politics of regulation in liberalised public utilities including telecoms, water, and energy sectors particularly in transition and developing economies.



Abstract

“Key Issues for Long Term Climate Policy Design in Gulf Countries with Focus on Qatar”

We analyze the challenges and options of designing an efficient global climate policy for GCC countries. We review the exposure of GCC countries to climate risks and the mitigation and adaptation options at their disposal. We look at the macroeconomic cost of realizing the emissions abatement implied by the Paris agreement and we evaluate the possibility to balance the burden through an allocation of emissions permits in an international emissions trading system. Focusing on Qatar we do a bottom-up analysis to see how this country could drastically reduce the GHG emissions. We show how the polity of energy has to be modified in GCC countries to permit this global transition to a net-zero emissions regime to take place. In particular, in this context we do a first assessment of the comparative advantage of GCC countries in harnessing negative emissions technologies that are necessary to reach the Paris agreement target.

Mehran Haghirian

Biography

Mehran Haghirian is a PhD. candidate at Qatar University and a researcher and assistant director at the Ibn Khaldon Center for Humanities and Social Sciences. He is a graduate of American University’s School of International Service in Washington, DC, with a master’s degree in International Affairs and a research focus on Iran and the Persian Gulf region.

Mohammad Al-Saidi

Biography

Mohammad Al-Saidi holds a Ph.D. in economics from the University of Heidelberg (Germany) and two master-level degrees in political sciences and economics from



the same university. He also studied sociology (Master Degree from Hagen University) and philosophy. His Ph.D. research focused on political economic reforms in the water sectors of Yemen and Morocco under the paradigm of Integrated Water Resources Management (IWRM). Prior to joining the Center for Sustainable Development at QU as research assistant professor for sustainable development policy and planning, he worked as a senior researcher at the Institute for Technology in the Tropics (ITT) of the TH Köln – University of Applied Sciences in Germany (2011 until 2016). He coordinated collaborative higher education projects (Ethiopia, Sudan, Jordan) and research projects on the Water, Energy and Food Nexus (WEF Nexus). Dr. Al-Saidi publishes IWRM, WEF Nexus, water pricing policies, water decentralization reforms, transboundary water management (Nile basin) among others. He has been teaching different courses like water policy and legislation, WEF Nexus, sustainable development water economics, and environmental governance.

Abstract

“Saudi Arabia and the Emirates’ Quest for Alternative Energy: Geopolitics of the Nuclear Option”

Nuclear energy programs are under formalization in countries of the Gulf Cooperation Council (GCC), with the UAE’s first power plants due to be operational in 2020, and Saudi Arabia’s program under development. A political-economic narrative stresses potential benefits such as the diversification of energy sources, the centralization/maintaining of power in the energy supply sector and the preservation of carbon fuel reserves for export purposes. However, a narrow justification renders the analysis of the nuclear push incomplete, as it is not specific to the nuclear option, i.e. the mentioned benefits are with other types of alternative energies such as the (rather) clean options of solar and wind. In fact, economic or domestic considerations might be less dominant than geopolitical ones in GCC countries. By analyzing nuclear legacies in the region, this paper highlights geopolitical considerations behind the nuclear programs of GCC countries, particularly Saudi Arabia and the United Arab Emirates (UAE). The rise of the nuclear energy option in the GCC region coincides with the resurrection of the nuclear program in Iran in the early 2000s. It is linked, in terms of evolution and discourse, to geopolitical rivalry and posturing as well as the rising tensions in the region, at least in the case of the nuclear ambitions of Saudi Arabia. Despite the political and environmental vulnerabilities of the region, as well as the region specific risks associated with nuclear power production, nuclear energy seems to be a stable choice in the energy mix policies.

مركز دراسات الخليج Gulf Studies Center



@QUGulfStudies



GulfStudiescenter@qu.edu.qa