

# Arab league topic: decreasing global dependence on middle eastern oil

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Oil is versatile. For centuries, it has been a central commodity in the production of energy and its versatility puts it high on the list of fuels. In fact, 63.7% of all oil produced is used for transportation and 4% of global electricity is produced with oil.

However, global dependence on Oil has been on a downward graph for a long time due to points of contention such as globalised discussion of global warming and consequent proposals to move to alternative sources of energy in order to both lessen carbon footprints and limit the global usage of oil.

Global dependence on Middle Eastern oil has too been decreasing briskly, with multiple reasons in addition to those outlined above. The issue between Arabs and Jews in the region has been a cause of several embargoes, while increment in oil production by non - MENA region countries such as the United States and Canada, discord between member countries of this League (caused by several issues, such as unprecedented and unlawful invasions), limitations on fossil fuel reserves, and foul play by terrorist organisations, all have been cause of the above in some way. Due to this, prices of crude oil have fluctuated rapidly, and disconcerted the petroleum industry as a whole. Since around 82% of global oil production comes from countries of the OPEC, and the fact that oil is an economic opportunity these countries that have depended on and forwarded the most, it has disconcerted the them too. The average annual OPEC crude oil price hit an all time high of 109.45\$/barrel in 2012 has dropped almost 38%, to 67.33\$/barrel in 2018.

Country and the Topic Area "... Kuwait has oil" - The Dalai Lama.

Kuwait has the 4th largest oil reserves in the world and the Burgan Field is the 2nd largest oil field. Kuwait is also the world's eighth largest exporter and the tenth largest producer of oil. It was one of the inaugural members of the Organisation of Arab Petroleum Exporting countries (OAPEC). The delegate believes that her country is a key participant in the topic area and has immense history related to the agenda.

With the problem of decreasing global dependence on oil, Kuwait's finance minister, Anas Al Saleh, stated that the compulsion for Gulf States to reduce their own economy's dependence on oil 'inevitable.' Comprehensive economic reforms, including the reform of imbalances in public finances, are also necessary. In accordance with this, the Kuwait Petroleum Company has outlined the 2040 strategy, something which is based on feasibility for business. KPC has set something called the 'Upstream Strategic Directions', which focuses on 'Available Production and not productional capacities. Available Production refers to the amount of crude that can be produced any day of the year after applying facility shutdowns and maintenance considerations.

Along with this, the country has a national vision, the 'New Kuwait' or the Kuwait National Development Plan. While the country plans to do what it takes to sustain global dependence on OAPEC oil, it is not holding back on the options on the table. H. H. Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah refers to it a plan to increase competition and promote production efficiency, accentuate values, and achieve both human resource development as well

as balanced development. It sees a sustainable and prosperous future for the country in the era of decreasing oil dependence.

#### Possible Solutions:

The fact that the Paris agreement focuses on sustainability should be explored. Since the agreement minimises on carbon footprints in the production of oil, and the Arab countries have always had better methods of refining, storing and transporting oil, it leads the delegate to believe that energy sustainability can be achieved while forwarding economic cause. The processes of oil export should be comprehensively assessed and developed to be better in order to achieve these ends, so that the Arab countries continue to reign supreme in the field.

In addition to this, the question of diversification of our political economies should be explored, similar to the way Kuwait has. The Arab economies hold large amounts of Natural Gas Reserves. These should be exploited judiciously as an alternate source of energy.

The increased production of oil by countries not in the MENA region should be explored. The issues that cause discord between the states of the Arab League should be thoroughly explored and vetted, in order to promote better relations between them, as is ingrained in the Charter of the League of Arab States. These issues include, most predominantly:

The Qatar - Gulf Crisis: the cutting of diplomatic ties to the State of Qatar was a move denounced by several member states. Kuwait has tried to

mediate a resumption of these ties. The Israeli - Palestinian Conflict, which has its roots in the 1948 war, and the question of the leadership of the PLO.

The terrorist organisations causing disarray in the region and production of oil is another major cause of discord. There needs to be widespread clamping down on Terror Financiers in all the Arab States, as has been done by Kuwait.

Global dependence on oil cannot decrease very rapidly because of reasons such as technological momentum, and while this technological momentum prevails, Kuwait believes it is up to the members of this League to be able to forward collective economic interests and bring the shift back in focus. Many economists believe that the world is addicted to oil, and for the sake of the world, member states must learn to continue to exploit this addiction, but judiciously, since our motives widely include energy sustainability.