mashreq المشرق

QUARTERLY ENERGY NEWSLETTER

Q4, 2022

A Message from Mashreq's Energy Sector Team

Our team's success is built on consistent knowledge exchange with our stakeholders, partners, and customers.

Thank you for taking the time to read our quarterly newsletter. We hope you find the insights inside valuable and useful. We wish you the best of health and wellbeing always.

Quarterly Energy Newsletter

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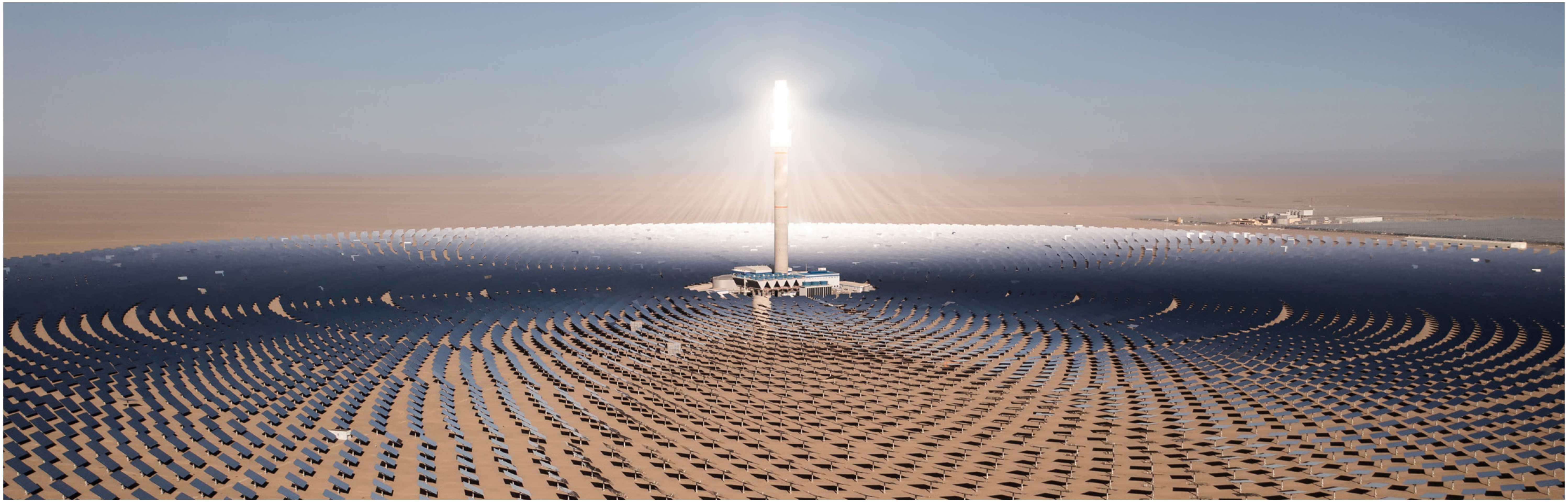


Energy security urgently needs holistic funding

By Badar Chaudhry
Senior Vice President, Energy Sector, Mashreq Bank

Facing arguably the worst energy crisis since the 1970s, a steady flow of finance to propel the energy transition is more important than ever. While simultaneously protecting energy security and the green agenda is expensive work, it is far cheaper than the cataclysmic impact of not mitigating and adapting to climate change. Energy companies cannot support Net Zero goals without having far more financial support themselves, especially oil and gas – that is a persistent and rapidly missing pieces. This is an increasingly complex equation that we are committed to helping energy stakeholders solve.

Up to $12.1trn of investment in the oil industry is needed over the next 23 years to meet demand, says OPEC, during annual clean energy investment worldwide must triple by 2030 to at least $4trn to give the world a chance of meeting Net Zero emissions by 2050, said the International Energy Agency (IEA). Clearly, the energy transition is expensive, but it is far, far cheaper than the cataclysmic impact of not mitigating and adapting to climate change.

In the push for Net Zero, oil and gas are not the "bad guys". Instead, they have been at the forefront of ensuring billions of people can turn their lights on, heat their homes and fill their petrol tanks for decades, not to mention the 6,000 everyday items that include petroleum. Equally, one might think the flow of capital towards greener markets is far stronger, but these markets also have a long way to go. Just 4% was the share of green finance in the overall finance market in 2021, up from 0.1% in 2012 but still vastly lower than what is needed to meet Net Zero.

Crucially, this is not an "and / or" conversation. All the boxes in both camps – sustaining energy security today by supporting cleaner fossil fuels while driving green innovations and markets – must be ticked simultaneously. We cannot sacrifice energy security today, for we will not reach the future and we cannot sacrifice the climate agenda today because we will not have a secure future. Both tracks must evolve in parallel – that is the only chance of success.

SHEDDING LIGHT

The pace of policy and regulatory changes around energy security and Net Zero means the parameters of investing in oil and gas, and even renewable energy, could be entirely different in a couple of years, which means far more considerations must now be made for longer-term projects in oil and gas". Lower carbon markets are not immune either. For example, the science and policies surrounding battery waste are economically and environmentally unclear, so even investing heavily in this greener technology today raises many questions later for financiers. Bankrolling an energy project today potentially means not realizing production until 2030, with returns thereafter – particularly less appealing amid global economic strain.

More Net Zero roadmaps are needed to give energy companies and financial institution's much-needed transparency, enabling the deployment of capital with far more confidence – and increasing the chance of repeated financings. The investment community understandably does not want to provide financial support for one road, only to find out later on that the energy company has chosen another, never fully realizing the return on investment (ROI) on the first one.

"There are still some banks whose balance sheets are geared towards long-term projects, who are willing to embrace the potential policy and regulatory changes over a seven-to-ten year period. We must ensure that this pool of investors remains strong.

Part of boosting visibility is putting a price on carbon to give investors and all other stakeholders an obvious metric on how to value CO_2 emissions, which improves the accuracy of financial forecasts. Simply put, it helps investors feel like they are not jumping in the dark off a ledge with both feet. So far, seventy carbon pricing initiatives have been implemented worldwide. This represents 23.17% of global GHG emissions, up from just two initiatives in 1991, according to the World Bank. This is relatively slow progress over the last three decades, leaving 76.83% of greenhouse gas (GHG) emissions uncovered. The Middle East has made very little progress in this space, but this is now quickly changing; the UAE expects to start soon a carbon offset trading exchange in Abu Dhabi, for one.

Overall, more collaborative, troubleshooting engagements between energy and financial stakeholders in terms of research and knowledge-sharing would be invaluable to bolstering confidence on both sides. This saves stakeholders untold hours of guesswork – time that should be spent finding more answers as the energy-climate relentlessly ticks on. In this vein, an attitude of inclusivity and learning is crucial, rather than stakeholders penalizing one another for a lack of progress or finger-pointing if investors choose to support fossil fuels, for example.

LEADING THE CHARGE

The climate agenda heralds the greatest global overhaul in modern history, putting the world on an urgently needed track for a greener, cleaner, and more profitable future. There is no doubt that achieving Net Zero in the UAE and worldwide by 2050 is a gargantuan task that will change how we produce, consume, store, transport and market more types of energy than the world has ever managed; so much so, that no one on the planet can yet fully understand the magnitude of what is required.

The UAE is already striding ahead, being the first nation in the Middle East and North Africa (MENA) to set such a Net Zero target, hosting COP28 in ten months' time and planning to invest $163bn in clean and renewable energy sources over the next 30 years. OPEC's third largest producer is also building the world's largest solar plant with a total capacity of two gigawatts in Abu Dhabi, with the country being host to some of the world's largest and most competitively priced projects worldwide – helping spur the 80% reduction in the global price of solar since 2010. The UAE also recently signed a $100bn deal with the US, the world's biggest economy, to develop 100GW of clean energy globally by 2035.

Mashreq Opinion Editorial

Oil Companies Now Seeking to be Part of the Energy Transition!

By Dr. Raad Alkadiri
Managing Director, Energy, Climate & Resources, Eurasia Group

Oil companies recognize this pressure on them from their shareholders and from the financial community to make changes in their business, to contribute to the reduction of emissions and the overall transition. What we are seeing is companies adapting to will and companies seeking to, in some cases, reinvent themselves.

Companies are looking at technology and seeking to use technology as a means of reducing the emissions of their operations to decarbonize hydrocarbons, looking at scope 1 and scope of their emissions. They are seeking to make themselves the cleanest producers and see that additional benefit on top of companies seeking to be the cheapest or the most efficient. That's an added element to the equation.

Some of the other companies, especially European ones, are moving away from molecules to electrons. What they can do is go down the values of transforming themselves into energy companies, into providers of a broad range of energy, including renewables. So, the strategies are somewhat divergent, but the direction is clear, and it's a recognition that energy transition is an issue that companies need to address. It's going to be important to their long-term survival and that investors on their finances as well.

ENERGY CRUNCH SOLUTION – NO LONGER AN OIL AND GAS TURF

The solution to the present energy crunch doesn't just lie in oil and gas. It lies in balancing those oil and gas production and investment with balancing investment in renewables. What we will have, is a period of volatility and uncertainty, but investment continuing to go into different types of energy. What we are seeing in the short term is that the money markets are really looking to see where they can get the greatest return on investments with oil prices at the current levels. But I think the sentiment is going to depend in the longer term on government policy, and a lot of it is going to do with climate, to do with disclosure and with balancing portfolios to meet demands of their own channel and their own investors, greater diversification, and more focus on climate issues. What we are going to see certainly is some money coming back into oil in the short term. Whether that goes into long term investment is a bigger question. There's a difference right now between making money out of volatile markets and high oil prices and investing in the long term when the demand picture is uncertain.

INVESTING IN OIL AND GAS IMPORTANT IN MANAGING ENERGY TRANSITION

One of the lessons of the last year is that investment in oil and gas and the production of oil and gas are going to be important in terms of dampening out the disruptions of energy transition. And more importantly, there's a willingness by all those companies to invest in technology, to invest their capital in ways of making the product cleaner. That would seem to point towards a debate that should not be binary, but rather include all. I don't think we are there yet. One of the outcomes of this present energy crunch may give a greater realization on the importance of oil and gas in managing energy transition, as opposed to how oil and gas is seen, which is somehow being a blockage to energy transition.

Source: Gulf Intelligence - 28/11/2022

Mashreq Bank Global Headquarters is now LEED V4.1 O+M Gold certified

Mashreq Bank Global Headquarters is now LEED V4.1 O+M Gold certified. This honour by the U.S. Green Building Council makes Mashreq Global Headquarters the only headquarter building within the financial sector in the region to secure such a coveted recognition thereby reinforcing Mashreq's pledge to the ESG standards and commitment to Mashreq's new strategic purpose "Rise Every Day". The award recognizes Mashreq's responsibility towards effective waste management, sustainability, energy and water efficiency & management, innovation, indoor environmental quality and transportation.

Source: Mashreq Bank

Tarek El-Nahas, senior executive vice president and group head of international banking at Mashreq Bank.

Mashreq Bank to facilitate Sustainable Financing worth $30bn by 2030

Mashreq Bank, the oldest privately owned bank in the UAE, will increase the amount of its sustainable financing to $30bn by 2030, a senior official said.

"There's a huge appetite for green and other forms of sustainable finance, and we only see it is increasing," Tarek El-Nahas, senior executive vice president and group head of international banking at Mashreq Bank, told Arab News.

He added: "The regional economy is still very robust, and MENA is the fastest growing region globally, so we are not seeing downward pressure here."

However, there is also a misconception that green lending and green finance are a cost to businesses, which El-Nahas rejected.

"We are seeing that greener forms of finance can also succeed, and because they are often very-long tenure deals, they generally make returns across the economic cycle," he said.

Mashreq Bank, participating at the UN Climate Change Conference in Egypt, had facilitated deals worth $13.5bn in sustainable financing over the past two years across the Gulf Cooperation Council, Egypt, Turkey and India.

"It included a range of deals and projects, including a sustainability-linked dual tranche of Islamic or conventional syndicated term loan for Nogaholding in Bahrain," El-Nahas said.

This deal is the largest ever sustainability-linked loan in the entire Middle East and North Africa region. But, he revealed that the bank is also open to other avenues of financing.

"We are sector agnostic and follow a broad-based approach, covering sectors like financial services, water, etc. In addition to this sustainable finance, we facilitated $1.3bn in water-related projects to help with climate adaptation and build resilience to water scarcity and climate-related disasters."

El-Nahas said the bank expects robust demand for sustainable finance as its clients are beginning to implement their transition strategies and are ready to facilitate and advise.

"There is great appetite, and we have capital ready to deploy. Our greatest challenge is identifying bankable projects, but once we do, we move quickly," El-Nahas added.

The bank has several clients in the energy sector and it plans to usher them through these volatile times by managing risks and facilitating transition strategies.

"We will be helping them access the appropriate sustainable financing for their capital and operating expenditure or even retraining their workforce and increasing awareness," he said.

The bank also believes there is a bright prospect for green bonds meeting sustainability targets, especially green bonds, loans, and sukuks.

"These are particularly untapped markets that are set to flourish because government entities, sovereign wealth funds, and the private sector have occupied this space," pointed out El-Nahas.

"We've seen a healthy appetite for green bonds and sukuks, which are often over-subscribed and involve the big global investors buying into both sovereign and corporate debt in the region," he added.

This move toward sustainability financing is a positive sign for any economy and the growing sophistication of any financial sector, and this change is inevitable.

Source: Arab News

H.E. Younis Haji Al Khoori
Undersecretary, Ministry of Finance UAE

"As the upcoming host of COP28, the UAE is effectively the forthcoming leader of the global sustainability agenda. Our commitment for sustainability has been emphasized by our status as the first country in the Middle East to ratify the Paris Agreements and by our Net Zero commitment by 2050 – a commitment many countries in our region have also established. Our public sector has embedded sustainability priorities in our development programs. Accordingly, we have embedded sustainability priorities in our strategic development programs that have manifested in several areas that are geared towards promoting investment in energy transition."

Source: GI Energy Transition Intelligence Briefing, Oct. 11th Issue

Global Oil Demand

The world oil demand growth forecast for 2022 is revised down by 0.1mn b/d to now stand at 2.5mn b/d. Oil demand in the OECD is estimated to increase by around 1.3mn b/d, while the non-OECD is seen growing by about 1.3mn b/d. The second quarter of this year was revised slightly higher amid better-than-anticipated oil demand in the main OECD consuming countries. However, oil demand in 3Q22 and 4Q22 is revised lower due to the zero-COVID-19 policy in China, ongoing geopolitical uncertainties and weaker economic activities. For 2023, the global oil demand growth forecast is revised down by 0.1mn b/d from the previous assessment to stand at 2.2mn b/d. The OECD is expected to grow by 0.3mn b/d and the non-OECD by 1.9mn b/d. Oil demand growth is anticipated to be challenged by uncertainties related to economic activities, COVID-19 containment measures and geopolitical developments.

Sources: IEA, OPEC

Global Oil Supply

Non-OPEC liquids supply is forecast to grow by 1.9mn b/d in 2022, following a slight downward revision of 30trn b/d compared with the previous assessment. An upward revision to Latin America and Russia liquids production was more than offset by downward revisions to Other Eurasia, OECD Europe and Other Asia. The main drivers of liquids supply growth for 2022 are expected to be the US, Canada, Guyana, China and Brazil, while Norway and Thailand are set to contribute the largest declines. For 2023, the forecast for non-OPEC liquids supply growth remains broadly unchanged at 1.5mn b/d. The main drivers are expected to be the US, Norway, Brazil, Canada, Kazakhstan and Guyana, whereas oil production is forecast to decline primarily in Russia and Mexico. Nevertheless, considerable uncertainties persist regarding the potential for US shale production and the geopolitical situation in Eastern Europe, including the looming EU sanctions on imports of Russian oil. OPEC NGLs and non-conventional liquids are forecast to grow by 0.1mn b/d in 2022 to average 5.39mn b/d and in 2023 by 50trn b/d to average 5.44mn b/d. OPEC-13 crude oil production in October decreased by 210trn b/d m-o-m to average 29.49mn b/d, according to available secondary sources.

Sources: IEA, OPEC

	SEPT 2022	OCT 2022	CHANGE (OCT/SEPT)	YEAR-ON-YEAR (Y-O-Y)	
				2021	2022
WTI	$83.80/bl	$87.03/bl	-3.9%	$66.67/bl	$97.12/bl
BRENT	$90.57/bl	$93.59/bl	-3.3%	$69.52/bl	$101.61/bl
DME OMAN	$90.12/bl	$91.07/bl	-1.1%	$68.06/bl	$99.28/bl
SPREAD					
Brent-WTI	$6.77/bl	$6.56/bl	-3.1%	$2.85/bl	$4.49/bl

Sources: IEA, CME, DME and OPEC

SHEIKH MOHAMMED: COP28 WILL BE THE UAE'S MOST IMPORTANT EVENT IN 2023
Sheikh Mohammed was addressing the UAE Government Annual Meetings, which reviewed the significance of the UAE hosting the 28th Conference of the Parties (COP28) to the United Nations Framework Convention on Climate Change (UNFCCC). During the session, Dr Sultan bin Ahmed Al Jaber, Minister of Industry and Advanced Technology and UAE Special Envoy for Climate Change, highlighted the legacy of the founding father, the late Sheikh Zayed bin Sultan Al Nahyan, in promoting sustainable development and environmental protection.
Source: Khaleej Times

IEA: THE ENERGY CRISIS WILL ACCELERATE RENEWABLE POWER GROWTH
The new drive for energy security prompted by the fossil fuel price crisis will accelerate the development of renewable energy, the International Energy Agency has said in a new report. "Renewables were already expanding quickly, but the global energy crisis has kicked them into an extraordinary new phase of even faster growth as countries seek to capitalise on their energy security benefits," IEA head Fatih Birol said in comments on the report, titled Renewables 2022. "The world is set to add as much renewable power in the next 5 years as it did in the previous 20 years".
Source: Gulf News

EGYPT SIGNS $1.1BN RENEWABLE ENERGY DEAL WITH AMEA POWER
Egypt has sealed an agreement with AMEA Power a $1.1 bn agreement for a solar project and a wind farm with a combined capacity of about 1 gigawatt (GW). The Emirati renewable energy company will build, own and operate a 500- megawatt (MW) solar facility in Aswan governorate of Egypt and a 500MW wind farm at the Red Sea governorate. The projects will boost the renewable energy ambitions of Egypt, along with supporting economic and social development within the region.
Source: Arab News

OPEC+ KEEPS OIL PRODUCTION UNCHANGED
The 34th OPEC and non-OPEC Ministerial Meeting, decided unanimously to keep the current output ceiling and reconvene whenever necessary. The decision was made "in line with the decision of the OPEC and non-OPEC Participating Countries in the Declaration of Cooperation at the 33rd OPEC and non-OPEC Ministerial Meeting on October 5th,2022, which was purely driven by market considerations and recognized in retrospect by the market participants to have been the necessary and the right course of action towards stabilizing global oil markets; and adhering to the approach of being proactive and pre-emptive," according to a post-event OPEC statement.
Source: Saudi Gazette

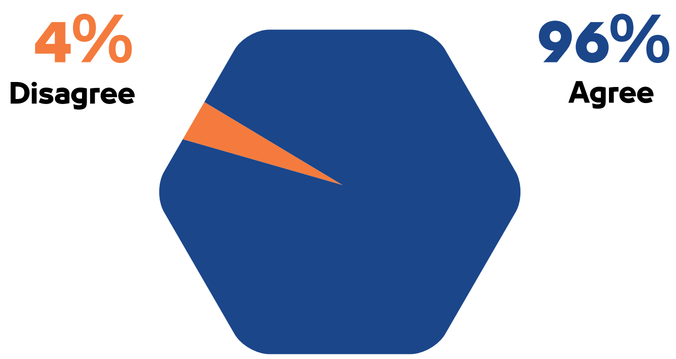
EUROPE CUTS GAS DEMAND BY A QUARTER TO SHED RELIANCE ON RUSSIA
EU countries cut gas demand by a quarter in November even as temperatures fell, in the latest evidence that the bloc is succeeding in reducing its reliance on Russian energy since Moscow's invasion of Ukraine. Provisional data from commodity analytics company ICIS showed gas demand in the EU was 24% below the five-year average last month, following a similar fall in October. In Germany and Italy, the EU's two largest gas-consuming countries, demand fell 23% and 21% respectively in November, ICIS found.
Source: Financial Times

ADNOC SETS UP NEW LOW CARBON, INTERNATIONAL GROWTH VERTICAL
Abu Dhabi National Oil Company has established a new Low Carbon Solutions and International Growth vertical that will focus on renewable energy, clean hydrogen and carbon capture and storage, as well as international expansion in gas, liquefied natural gas (LNG) and chemicals.
Source: Gulf News

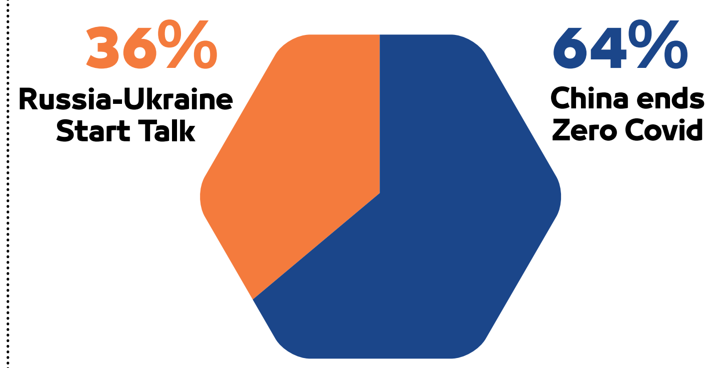
PAKISTAN SAYS RUSSIAN FUEL TO COME AT DISCOUNTED RATES
Cash-strapped Pakistan on Monday said Russia has agreed to provide it with crude oil as well as petrol and diesel at discounted rates, as Islamabad battles to contain a current account deficit swelled by energy payments, mostly for oil. The development comes a month after Finance Minister Ishaq Dar said that Pakistan is exploring the possibility of buying discounted Russian oil on the lines of India.
Source: Khaleej Times

U.S. WILL CONSIDER NEW PRIORITY AREAS FOR SOLAR ENERGY ON PUBLIC LANDS
The Biden administration on Monday said it would begin a process to identify new areas for solar development in the Western United States to ramp up permitting of clean energy projects on public lands in order to combat climate change. The Interior Department said in a statement that its Bureau of Land Management will update an Obama-era plan that established special zones for solar projects based on access to transmission, solar energy potential and protecting natural and cultural resources.
Source: Khaleej Times

The oil markets appear unconcerned about the outcome of COP27?

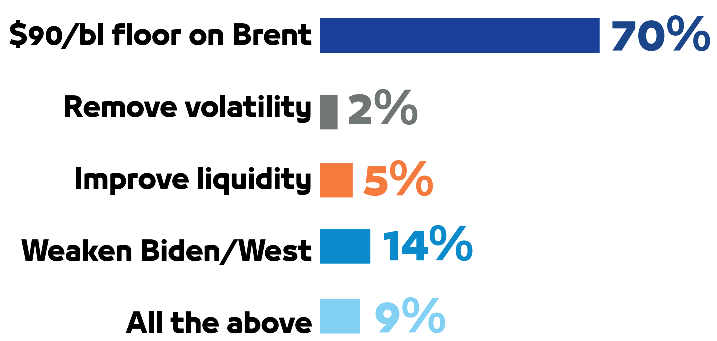


Which would have a greater impact on the direction of oil prices in 2023?



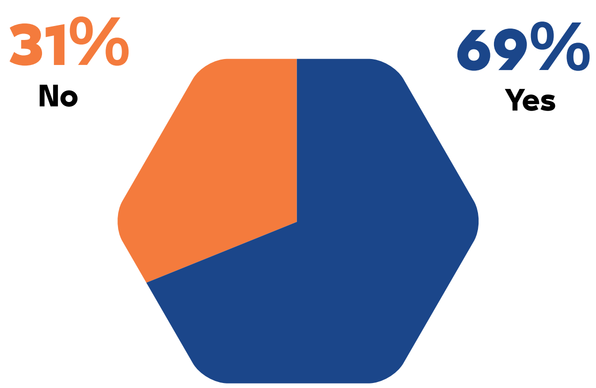
Will OPEC+ have to cut further to hold $90/bl floor through Q1 2023?

There were many reasons given by OPEC+ for 2mn b/d cut, but what does the market think the biggest reason is – OPEC+ wants?



Will OPEC+ supply cut Deliver $90/bl floor in Brent oil price through Q4?

Wil the China-US Summit ease tensions between world's two biggest economies in 2023?



Source: GIQ

MAKING CHINA'S RURAL ENERGY GREAT AGAIN!

China has 65% of its population living in urban areas today. Thus, it's no surprise that security of urban energy supply has been given top priority in the backdrop of fighting air pollution and decarbonizing its energy mix in the last two decades. However, growing attention has been paid to rural areas in recent years when policy makers reckon that urban air pollution won't be effective tackled without grappling with the surrounding rural energy woes. And very importantly, rural energy is an integral part of the "modern energy system" the country aspired to build. For the first time, China's national energy development plan – "14th Five-Year Plan on Modern Energy Systems" (FYP) – has dedicated, for the first time, one entire chapter on rural energy.

A ROLE MODEL FOR THE DEVELOPING WORLD IN THE 1980S

Four decades ago, China's rural energy development was widely regarded as a role model for developing countries. Its achievements were exemplified in the following four areas:

1) Prioritizing energy conservation, with over 100mn wood-saving cookstoves installed in rural households in the 1980s;
2) Building small-scale hydropower as a means to achieve rural electrification;
3) Using local resources to produce biogas for clean cooking; and
4) Developing analytical energy models and formulating comprehensive energy development plans for rural areas, integrating energy as an important part of economic development agenda.

It is particularly worth mentioning that, when President Xi Jinping served as the Chief of the Liangjiahe Village in Shaanxi Province in the mid-1970s, his biggest wish was to find an entry lever to promote economic growth. One day, he read on the People's Daily that many areas in Sichuan Province had deployed biogas for clean cooking. He was very excited and decided that his village should also adopt biogas as a solution to its lack of coal and firewood. With Xi's efforts, the Liangjiahe Village became the first "biogas village" in Shaanxi Province, with more than 70% of households in the village using biogas.

Turning rural areas to an energy produce
It is with this new strategy that the 14th FYP for energy calls to actively develop small hydro, wind, rooftop solar, hybrid solar PV with agriculture and fishery, biomass, and geothermal energy wherever available, not only for local uses but also for supplying urban areas with clean energy.

The objective is to make rural areas a clean energy producer in addition to their current role as a food supplier. Vast and massive programs are being undertaken, including:

Comprehensive uses of biomass resources: Each year, China produces over one bn tons of crop straws and 3.8 bn tons of animal wastes.

Different technologies are being deployed to turn them into solid granules, biogas, bio-ethanol or electricity, through which to find the best use of the biomass in accordance to local resources and market conditions.

Solar PV: PV panels are massively being deployed on rooftops and in combination with agriculture and fishery. One such program, launched by the National Energy Administration in May 2021, is called "County-wise Promotion". It mandates a solar PV deployment plan for the whole county that is supported by government authorities. Counties participating in the program are required to include at least 50% of their office buildings roofs, 40% of schools and hospitals roofs, 30% of commercial and industrial buildings roofs and 20% of residential buildings roofs. By September of 2021, there were 676 out of the total of 2,860 counties in the country that had decided to join the program.

Integrated heating solutions: no single technology has yet to emerge as the winner in providing winter heating for China's rural residential buildings. But different technologies are being tried and deployed, including energy saving measures such as building insulation, solar water heaters, passive solar houses, people-tailored heating, granular burners, heat pumps and electric or thermal energy storage facilities.

Integrated electricity solutions: with rooftop PV, low speed wind turbines and energy storage technologies, some "zero carbon microgrids" are being piloted in rural communities to provide daily electricity needs, plus a heat-pump for heating, and electrified mobility with e-scooters or electric vehicles. Some "fancy" ones even deploy digital technologies to optimize the system operation.

Will the above endeavors be sufficient to make China's rural energy great again? The short answer is too early to be affirmative. Indeed, when compared with where the issue stood four decades ago, it becomes clear that China's rural energy priority has shifted dramatically from merely providing clean cooking fuel and improving access to electricity to being part of a much larger ambition to uplift quality of life in villages, create new revenue opportunities, curb local pollution, and make rural areas more livable and enjoyable than big cities.

To get there requires many hurdles to be removed, be it financial or technical. And yet, China's rural areas today are already actively participating in the global energy transition. When those pilots or cases are proven successful, they can be quickly duplicated to other parts of China, while contributing to accelerate clean energy transition of other developing countries.

Source: © CN Innovation (www.cn-innovation.tech)

"Energy security is a long-term concept, and one that which everybody must work together. What we have been always saying is that energy should be there at affordable prices and the prices should be such which balance out the interests of both the producers and the consumers, so that the consumers get energy at affordable prices - at good prices - whereas the producers get the prices which incentivize further investment in energy, whether it is hydrocarbons, whether it is crude or gas or even the investment going into renewables."

H.E. Sunjay Sudhir, Ambassador of India to the UAE, India's Permanent Representative to IRENA

Source: Gulf Intelligence - 14/11/2022

ENERGY SUSTAINABILITY: "We have seen a lot of volatility in energy markets, and it has brought this new trilemma back on the table, which is about security, affordability, and sustainability. Two years ago, we were talking about sustainability and climate. Now we are talking about all three, and the last 12 months has been a consummate lesson in managing all three KPIs. I think what underpins that for energy companies is sustainability is here to stay. Climate change is real, and our ability to manage that is critical."

Steve Phimister Managing Director, Petroleum Development Oman

Source: Oman Energy ESG Forum – 22/11/ 2022

"Looking forward to next year, we see oil prices being around $80 a barrel by the end of 2023 but that shouldn't be taken to mean that we think the market is going to be stable between now and then. There are plenty of events that could happen that could create massive volatility in both crude pricing specifically and commodity prices more generally, including an end to the war. The price of commodities moved up by about 20% or 30% after the invasion. We've certainly never seen so many different markets demonstrating volatility all at the same time as they're doing right now. It's not just gas in Europe or crude oil out of Russia or gasoline in the US or jet fuel in Singapore."

Dave Ernsberger, Global Head of Commodities Pricing S&P Global Commodity Insights

Source: Gulf Intelligence - 20/10/2022

COP27: "One issue which crept up on the meeting was what the role of fossil fuels is going to be in the energy transition and whether they should be phased out completely. That never got across the finish line. The EU tried very hard, getting a coalition of almost 100 countries together that said they will establish this loss and damage fund in exchange for language that would indicate a phase out of all fossil fuels. But that messaging was adamantly opposed by countries like Russia and Saudi Arabia, and even the US which came in with a final offer to phase out 'unabated' fossil fuels."

Bill Spindle Climate and Energy Editor, SEMAFOR

Source: Gulf Intelligence - 28/11/2022

A NEW ERA: How to Incentivize Energy Companies to Align their Strategies in 2023 with the UAE's Journey to Net Zero?

"Top 10 Takeaways from COP27?" presented by Badar Chaudhry, Senior Vice President, Energy Sector, Mashreq Bank

Petroleum Development Oman Industry Roundtable – "How can we Accelerate, Integrate & Replicate an ESG nexus for the Energy Sector?" with Badar Chaudhary as featured speaker

Mashreq In-Numbers: Climate Finance

Middle East Energy Transition
COP27: Egypt Takes Centre Stage

Climate change is already affecting billions of people around the globe every single day, some in disastrous ways. World leaders' dialogue at COP27 must quickly evolve into action; we are nearly out of time.

100mn
residents face running out of water in Egypt by 2025.

2,300
year old Egyptian city of Alexandria, home to 5mn people, is at risk of sinking due to climate change.

50%
of the world's population is 'highly vulnerable' to the impacts of climate change, which means they are 15x more likely to die due to floods, droughts, and storms.

5mn
people die every year across the globe because of temperature extremes – equivalent to Dubai's total population.

Sources: UNICEF, Britannica, Intergovernmental Panel on Climate Change (IPCC), Relief Web

We celebrate the widespread unity during COPs in recent years. But the severity of the climate threat means leaders in government, business, finance, technology, environment, and many others, must dramatically accelerate their progress in Egypt.

6
roundtables for Heads of State will be held during COP27 as Egypt focuses on deepening political engagement.

200
countries united during COP26 in Glasgow last November; similar attendance is expected in Egypt.

50%
reduction in emissions by 2030 and Net Zero must be achieved worldwide by 2050 to have a chance of limiting warming to 1.5°C, as per the Paris Agreement.

Sources: Europa, Egypt Today, Intergovernmental Panel on Climate Change (IPCC), Chatham House

"There can be no room for delay in the fulfilment of climate pledges or backtracking on hard-earned gains in the global fight against climate change. We must work together for implementation. We need to act, and act now, to save lives, and livelihoods."

H.E. Sameh Shoukry
Egyptian Minister of Foreign Affairs and COP27 President-Designate

Sources: COP27, Reuters

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