

"LPG EXPORT  
PROJECTION IS 12  
MILLION TONNES"



THE IMPACT OF  
UNCONSCIOUS  
COMMUNICATION

QATAR TODAY  
GREEN AWARDS  
ON OCTOBER 14



# Qatar Today

30  
Year of Media Excellence

OCTOBER 2009

ECONOMIC RECOVERY  
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economic upturn reports prog  
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Banks gain investor trust  
Financial growth

## THE PATH TO RESURGENCE

BLAME STOPS WHEN REGULATION BEGINS



QR	15	SAR	20
AED	20	LBP	10
OMR	2	USD	4.5
BHD	2	Euro	5.5
KWD	2	JPY	525

# “LPG EXPORT PROJECTION IS 12 MILLION TONNES”

By Aparajita Mukherjee

**W**ith a clear mandate of “delivering Qatar’s energy to the globe, reliably, efficiently and responsibly,” Ali Al Hammadi, CEO, Qatar International Petroleum Marketing Company Ltd. (Tasweeq), occupies a hot seat. For one, he leads a young company (created under Qatar’s Emiri Decree Law Number 15 of 2007) that markets a range of the country’s basket of energy products. For another, he is Qatar’s Governor to OPEC, representing Qatar on the forum, and the Chairman of the Board of South Hook Terminal.

And Al Hammadi, literally, breathes, sleeps and dreams his job, as he ramps up the capabilities of Tasweeq and Qatar to meet the challenges of the global LPG business, as exports grow rapidly over the next few years.

One immediate measure is to hold the 4th LPGtrade Summit in Doha between November 9 and 11 2009, with the declared objective of communicating to the world the seriousness with which Qatar perceives the LPG business.

In a free-wheeling chat with Qatar Today, Al Hammadi talks about the challenges that Tasweeq faces over the next few years, why LPG is important to Qatar and the agenda of the Summit.

## Why is Tasweeq hosting the 4th LPGtrade Summit in Doha?



Ali Al Hammadi, CEO,  
Qatar International Petroleum Marketing Company Ltd. (Tasweeq)

The position of Tasweeq in the market is slowly being recognised. For a long time Qatar was a 2 million tonne exporter of LPG. Today, we are exporting 6 million tonnes which will be scaled up to 9 million tonnes in 2010. The current projection is that this will ramp up to 12 million tonnes in a couple of years which will etch the position of Qatar as a leading player in the global LPG business.

As a major player in this business, we want to be perceived as a country that really wants to contribute to making a difference in the development of the industry. The Trade Summit is a positive step in that direction which will go a long way in communicating our commitment to the LPG business. The Summit will have representatives from the

entire industry and will have panels facing suppliers, exporters and consumers like India, Japan and China which will drive a lot of the growth in the near future.

## Why is LPG so important to Qatar?

In all our gas business, by-products play an important role in the entire project economics. Although each gas field development is different, by-products occupy roughly 50 per cent value of typical gas projects.

LPG is an important by-product of the operations at Ras Laffan and when Qatar’s LNG export figure reaches 77 million tonnes, the largest in the world, we expect the LPG exports to also approach the world’s largest in the years to come.



## In your view, what are the key challenges that Tasweeq faces over the next few years?

The world economy is in recession – be it in Asia, Europe or the US. And while we are ramping up our production and exports, the main challenge for Tasweeq will be to continue to market effectively in an environment where the recession impacts demand and customers are more cautious. In parallel with this, we have to be prepared to face the issue of more and new energy suppliers, both from the region, continent and the globe, as a whole.

## What are Tasweeq's plans to take on these challenges?

There are two categories of markets – mature, developed markets and potential, developing markets. The main focus areas for Tasweeq's as well as other middle east LPG are the Asian countries, within which we have developed markets like Japan or Korea where we expect limited growth and in which, Tasweeq will have to compete with other global energy majors. In such markets, we are aware of the fact that the differentiator for us will be the quality of services that we can bring, along with the flexibility of volume and contractual obligations. On the other hand, for the developing markets like India, Indonesia or China, we will have to be innovative to find and develop the demand for LPG in these markets.

Tasweeq is a new organisation that has been built from scratch. We have identified three pillars for the company – best practices from all over the world – in terms of systems, policies and marketing tools; high-calibre staff (including 25 percent Qataris) who are well-qualified to handle the diverse pressures of the job; and world-class technology to support all our transactions – that will help us to tide over the challenges that face us.

## What will be the main focus of the 4th LPGtrade Summit?

The theme of the Summit is 'balancing global market dynamics amidst structural changes'. There are multiple dynamics in the global LPG market, at any given time. Major players are diversifying into different sectors, new players are emerging, the

## TASWEEQ: BUSINESS SNAPSHOT

Tasweeq exports Regulated Products to customers globally, including Asian markets where high growth is fuelling the demand for these essential imports. The Regulated Products include:

- **Liquid Petroleum Gas (LPG):** LPG is the collective name for Propane and Butane, both of which are gaseous hydrocarbon compounds at room temperature, but can readily be liquefied for easy transport or distribution by either chilling or pressurising the gas. Tasweeq markets and supplies refrigerated Propane and Butane separately on Very Large Gas Carrier (VLGC) vessels around the world. The Asia Pacific markets are the closest significant centres of demand for Middle East LPG exports.

- **Sulphur:** Global environmental regulations mandate the removal of sulphur from most petroleum products and therefore most refinery and gas processing facilities have associated sulphur production. The highly populated developing countries in Asia are significant fertilizer users with sulphur demand

that can effectively be met with Middle East sulphur.

- **Field Condensates:** Field condensate is the generic term for hydrocarbons that are vapours underground in the heat and high pressure of gas reservoirs. These condense to form liquids on their way to the wellhead separators. The principal source of field condensate in Qatar is the North Field gas reservoir. They are exported as untreated, deodorised and low sulphur content. Condensates are in high demand in countries such as China, Japan, Korea and Singapore.

- **Refined Products:** Refined products are comprised primarily of transportation fuels, such as jet fuel, gas oil/diesel, motor gasoline, and heavy fuel oil blend components, which are produced from refining crude oil or field condensates in Qatar. Transportation fuels are predominantly finished products, some of which are needed to meet demands in the Arabian Gulf area while others follow demand patterns between Europe and Singapore.

relationship between markets is changing and to cap it all, the recession is changing the business paradigms at rapid intervals.

## Who are the keynote speakers of the Summit?

Key industry figures from all over the world are coming to attend the Summit which will be opened by HE Abdullah Hamad Al Attiyah, Deputy Premier, Ministry of Energy & Industry and will be addressed, among others, by HE Abdalla El Badri, Secretary General, Organisation of Petroleum Exporting Countries (OPEC), who will focus on the global energy market outlook. We have also lined up speakers from International Oil Companies (IOCs) and National Oil Companies, consumer countries, consultants and shipping experts.

## Can you give us a brief about the Summit's agenda?

Papers will cover a range of topics – from prospects of the Mediterranean LPG market, global LPG supply and demand; some country focus like India, China and Pakistan; LPG as an auto fuel; impact of the financial crisis on the LPG business and the risk management tools to be used for managing the business better.

## Is Tasweeq organising any special activities or events during the Summit?

We hope to organise a golf tournament in the Doha Golf Club for participants to wind down and socialise; a tour of Ras Laffan for participants to see the entire scope of what is happening there. This is especially relevant as many projects are coming to fruition now. We will also have a gala dinner at the Museum of Islamic Arts. For spouses of participants, we hope to organise a tour of Souq Waqif ■