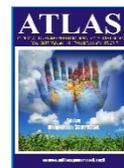




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## AN ENERGY POLITIC EVALUATION FOR QATAR

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### ABSTRACT

Qatar is a small country due to its size and population but it has an important position in the Middle East. It has huge reserves as oil and natural gas and a leader country for producing of liquefied natural gas (LNG). Qatar energy policy has being evaluated according to the recent living events, it will be necessary to look at the issue by multi-faceted perspective. It will be necessary to address three or even four main themes. All of them important in the view of energy policy and caused some events of energy politics like as embargo. It is analyzed by the main themes. It can be said that the Qatar problem will form a breaking point in the Middle East may be in the world.

**Keywords:** Energy Politics, International Relations, Qatar

### 1. INTRODUCTION

Qatar in is an Emirate on a small peninsula extending from the Arabian Peninsula to the Gulf of Basra [1]. The land is bordered by only Saudi Arabia, But it is a neighboring country with Bahrain, Iran and the United Arab Emirates over the sea. Although the population is around 2 million, the native population is approximately 300,000. The capital city Doha is the largest city in the country and has a population of about 500,000.

Although the history is taken as far as the stone-age, the region is usually the habitat for nomadic tribes, changes often occur in its administration. It is known that the Babylonians were active in the region during their period. In the middle of the seventh century when Islam began to spread, it became prominent in this region. The dominance of Islamic states such as Umayyads and Abbasids is also seen in this region.

The activity of the Turks is based on the Seljuk period first. The Turkish sovereignty in the country began in 1852 and then became clear in 1871 upon the invitation of Muhammad al Sani. The fortress called Kal'atü't-Turk is known as Qatar's current capital, Doha [2]. The Turkish troops who settled in Al-Obeid, where the US base is today, remained here until 1913. In this period, Qatar was involved as a district loyal to the Lahsa of the Province of Basrah. Members of the Al-Sani family served as Ottoman district governors. The Ottoman State abandoned its rights over Qatar in July 1913, and the last Turkish soldier was withdrawn from Qatar in August 1915. Following First World War, on November 3, 1916, Qatar entered the British occupation, and after the First World War it was completely severed from the Ottoman Empire in the context of British oil politics.

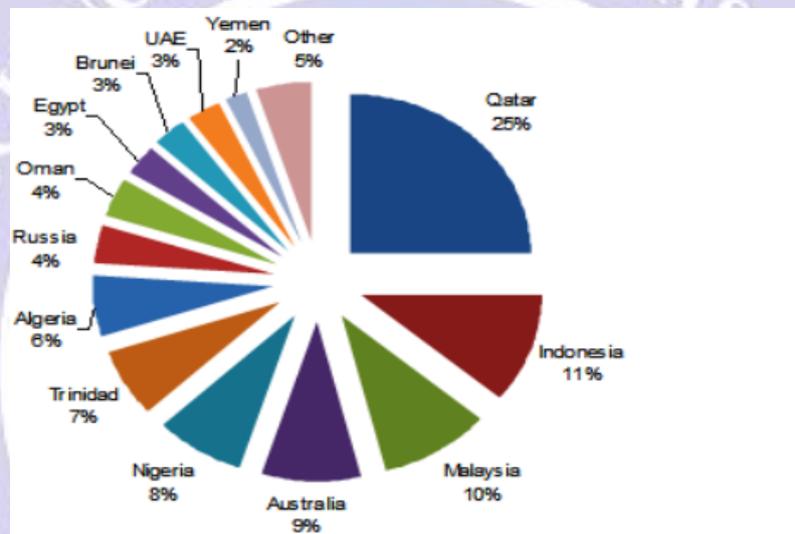
It became an independent country in 1971, leaving the British protectorate (and refusing to be a part of the United Arab Emirates). Following the first ameer who governed the country until 1995, during the period of Qatar Ameer Hamad bin Khalifa Al Tani, who seized the administration, some political and economic reforms have been carried out. Women are given

the right to elect and to be elected [2]. Liberalization in the natural gas and oil sectors has opened up, freedom of the press has been expanded, and Al Jazeera, which will be one of the important media organizations in the Arab countries and then all over the world, has been established [3].

## 2. QATAR'S ENERGY RESOURCES AND ECONOMY

Natural gas production started in 1991 in Qatar, and the first LNG exports were made in 1996. At present, Qatar holds the world's third largest proven natural gas reserves. With proven natural gas reserves, it has about 15% of the global reserves in this context.

In the LNG production that they started since 1997, they are concentrating their resources on LNG production as a country policy. As of the end of 2010, it has reached 77 million tons of "Liquefied Natural Gas (LNG)" production capacity per year that is the world's leading LNG supplier (Fig.1). Most of its production is sold to Asia (mainly Japan, India and South Korea) and intensified its work on LNG exports to new markets. Qatar is also a member of the Gas Exporters' Countries Forum (GECF).



**Figure 1** LNG Producers in the World [4]

Qatar is ranked 13th in the world with 25.4 billion barrels of reserves in terms of proven oil reserves in the world by the end of 2012. In this respect, it is also an important oil supplier and OPEC member. Although the country is mainly oriented towards LNG production and exports in terms of energy policy, it also attaches importance to the methods of obtaining enriched oil in order to increase the life span of oil reserves.

The oil wealth of the country is controlled by Qatar Petroleum (QP), which the state owns. The coastal Dukhan district, Maydan Mahzam and Bul Hanane districts are owned and operated by QP. The remaining petroleum regions are operated by international petroleum companies under a production sharing agreement. The QP Corporation owns more than its weight in petroleum production on the side of natural gas. Qatar Gas Transport Company owns the transport of LNG in the country.

Qatar has two refineries and one of them, Umm Said, was founded in 2009 and is operated by the sub-organization of QP. The second refinery (Ras Laffan refinery) is operated by a consortium of 51% owned by QP, and including Exxon Mobile, Total and some Japanese companies.

There are important lines at sea that connect natural gas and oil reserves to the land. In addition, the line that gives natural gas to the United Arab Emirates (UAE) and is called the Dolphin natural gas pipeline also largely meets the UAE's natural gas supply [5].

According to Qatar Statistical Institute, natural gas and petroleum constitute about 58% of the gross national product of the country. Electricity generation is also mainly driven by natural gas. Apart from these, the Qatari State Fund has received 19.5% of the shares of the Russian state energy company Rosneft together with the UK-Swiss consortium Glencore in December 2016. With this agreement, which is the biggest deal of 2016 in the global market, Qatar draws a profile of a country that cooperates with Russia and with the western countries.

Pipeline projects have also been the subject of Qatar's natural gas supply to the Mediterranean beyond LNG, and therefore to Europe. On the subject, the passing of the line through Turkey has been on the agenda of the year 2000 and its intention has been stated. However, with Syria's preference to take part in the Shiite crescent and the Syrian civil war, the project was out of the question. Alternatively, Iran-Mediterranean natural gas pipeline has been proposed, but this project cannot be done due to Syrian civil war.

As a small country in terms of population and land area, Qatar has achieved economic growth at a record-breaking rate by bringing its natural gas and oil reserves to the economy at an increasing rate. Income per capita reached 88,564 dollars in 2012, but it comes down 59,530 dollars that is also the higher one. Therefore, it is one of the richest countries in the world. Qatar is a country that has invested and is engaged in different sectors outside the country. These sectors are as diverse as banking, fashion, education and construction sectors.

### **3. ENERGY POLITICS EVALUATION**

If the Qatar energy policy is being evaluated according to the recent living events, it will be necessary to look at the issue by multi-faceted perspective. Given the considerations mentioned above, it will be necessary to address three or even four main themes.

First of all, it can be said that Qatar's oil richness, especially the natural gas reserves that stand out in the 21st century, is coming to an economic position and a prominent position in the surrounding countries. In this regard, it should be noted that there is a different structure. Namely; the country has its own natural gas and oil extraction activity. It can be said that Qatar Petroleum (QP) and / or its related institutions are economically active in fossil fuel extraction and trading. As a matter of fact, Qatar is different in the Middle East countries and attracts attention.

A second issue is the fact that despite the small size of the area, there are two refineries, in other words, higher value added petroleum derivatives. Qatar invests in different sectors in foreign countries, which reinforce their economic wealth. This is not only the attention of the Middle East countries but all the countries of the world. Therefore, the directing of the high level of energy reserves by the country itself brings political and economic goods to the country at the same time. As a matter of fact, Qatar is becoming a prominent country for different countries in the Middle East.

Another issue is the shale gas in the United States. Shale gas extraction today is expensive and requires the use of appropriate technology that is having by USA. It was mentioned that the shale gas reserves could sell shale gas in energy forums in the USA but has not been a major seller until now. In this context, it can be said that the US oil companies do not take this alternative hotly. However, the new administration of the United States may be different opinion. It is observed that the new administration has to deal with various problems within the country. If the US sells the Shale gas, it will sell it to overseas countries as LNG form. Qatar, however, is at the forefront of exports of LNG all over the world (three times the size

of its subsequent supplier) and is therefore an important player in the LNG market. The natural gas needed by the Far Eastern countries (which come to mind first) that the US can sell shale gas also supplies Qatar as LNG to a considerable extent. Therefore, Qatar's stumbling will affect the LNG market and bring about the re-establishment of balances. This constitutes a separate aspect of the situation.

On the other hand, although the pipeline projects for transporting Qatar's natural gas to the Mediterranean and therefore to Europe have been lagged behind, it is a project that may come back on the agenda after the problem of Syria is resolved in some way. In this case, not only Qatar, but also the Gulf oil and natural gas will be able to reach the Mediterranean via pipelines. This is a situation that can reduce the importance of the Suez canal. In the context of the extension of the Suez canal to the passage of large tankers, considering that the Second Suez project has been deceived by considerable cost, Qatar's bringing such projects to the agenda multinational corporations using Suez in maritime transport and countries like Egypt can be disturbed.

A different issue is that Qatar's UK-Swiss consortium, together with Glencore, received 19.5% of the Russian state energy company Rosneft. This suggests that Qatar might be able to evaluate alternatives other than western block. This also has the potential to affect the world's conjuncture.

#### **4. CONCLUSION**

All these issues have made Qatar an energy-political target. Although Qatar is a small country due to its size and population, the fact that it is embargoed by some countries, especially its neighbors, may have effects beyond just being a local problem. When Qatar is assessed in terms of its use of different investments and its energy-political qualities and the economic possibilities it possesses, it can be seen that the problem may be regional and even global reflections.

Qatar is important due to huge natural gas and also oil reserves. Additionally, possible pipeline routes through east Mediterranean are causing big challenges which way preferable in the region. It is related with all regional countries and the transit countries will have advantages, but regional issue could not permit the solution in the present time. In this context, it is important to deliver the solution quickly as possible. If the solution cannot be delivered, it is possible that the Qatar problem will form a breaking point on many platforms, including the countries that embargo.

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