

# Notes from the Eastern Chair



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Chairman, British  
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Eastern Province

The festive season seems like only yesterday but in reality 2009 is passing us by rather quickly. It was pleasing to see HMA receive a well deserved Knighthood in the New Years Honours List – congratulations to Sir William Patey from all in Eastern Province.

On the business front, EP is continuing to be busy seeing established projects moving steadily towards completion with a number scheduled to come on line in the 2010 – 12 timeframe. However, there is evidence that newer projects in the early stages of development are showing signs of slowing down. Petrochemical markets have softened with the necessary tightening of belts taking place across the sector, including Sabic - economic problems catching up with us!! However, the Real Estate business continues to report full occupancy in EP which may indicate a not too significant slowdown.

I keep thinking that the World economic situation can't get any worse then I watch the news and more downsizing is being announced and businesses closing down. It remains difficult to see light at the end of the tunnel and in all probability it seems that we will see worse before better appears. Maybe we will escape the worst in the Middle East?

On the social front the joint BBBF / BBA Poppy Ball held on 13 November in the Crowne Plaza, Bahrain was a very successful evening and enjoyed by all. It was especially pleasing to see RGLB Chairman Owain Raw-Rees in attendance representing the Riyadh Group. Hopefully it was also a special week for the visiting Chelsea Pensioners – they certainly seemed to have a good time.

It was especially pleasing to be able to donate funds raised by the Poppy Ball and Bahrain British School (almost BD2,900 - SR29,000) to the Royal Hospital Fund (Chelsea) and the Earl Haig Fund (Scotland) – makes the effort worthwhile. We look forward to repeating the event later in the year and achieving the same degree of success.

If you need to contact us then contact me directly - fennag@saudichevron.com or send an e-mail to our secretary (Pamela) at bbakhobar@attheer.net.sa or via the website at www.bbaep.com



Right:  
Chelsea Pensioners;  
Charles Gilmore,  
James Wilson and  
George Streeter  
attended the joint  
BBA / BBBF Poppy Ball  
in November.

## Local News Round-Up

Several companies now offer regular email up-dates carrying news items from the region. Herewith a selection of items received by the RGLB News Editor in the two weeks before publishing.

### Oil industry 'faces major security threat'

Middle East oil companies are spending billions of dollars on security every year, and the cost is rising fast, according to a new report by The Gulf, a weekly business magazine. Saudi Arabia alone is expected to spend \$14 billion over the next six years to improve oil security, while other energy producers are investing heavily in protecting pipelines, refineries, rigs, tankers and other assets, The Gulf said in its latest issue.

### Oil exports hit due to bad weather

According to Trade Arabia, Oil exports from terminals in Kuwait, Saudi Arabia and Iran were disrupted in February due to bad weather in the region. The report noted that this had included Saudi Aramco's oil exports from its joint-venture refinery with Shell at the Gulf port of Jubail. The joint-venture Sasref refinery has two berths for oil product exports, one located inside the port breakwater and the other outside it. Berthing at the berth outside the breakwater had to be halted with two ships in anchorage waiting to load, shippers said.

### PetroRabigh losses swell to \$335 million

PetroRabigh, a joint venture between Japan's Sumitomo Chemical and Saudi Aramco, said net loss almost tripled in 2008 on a drop in prices of refined products and a delay in the start of some units. The firm made a net loss of 1.26 billion riyals (\$334.9 million) in 2008 compared to 443 million riyals in 2007, the firm, also known as Rabigh Refining and Petrochemical Co, said in a statement posted on the bourse's website. Profits were hit by delays in starting production at several new petrochemical plants and refinery units, in addition to losses from "a decline in both the prices of and global demand on oil products", it said.

### Saudi 'to expedite work on two gas fields'

Saudi Arabia will expedite work on two offshore gas fields in the Kingdom as it seeks to meet growing domestic energy demand, a Middle East Economic Survey (MEES) report said. Demand for gas in the Kingdom for power and industry is soaring due to an economic boom fuelled by the oil price rally of 2002-2008. But most Saudi gas is produced in association with oil output, so volumes fluctuate with oil production. Saudi oil output is at its lowest in over six years as the Kingdom and Opec look to match international oil supply with rapidly falling demand. This has left gas supply in the Kingdom tight. Development of the Arabiyah and Hisbah gas fields, which are not associated with oil production, would supply around 1.8 billion cubic feet per day (cfd), MEES reported. The projects were included in Aramco's expansion plan through 2014, it said.