

THE ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC)

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The Organization of Arab Petroleum Exporting Countries (OAPEC), which is not to be confused with the larger membership Vienna-based OPEC, was founded in 1968 by Kuwait, Libya, and Saudi Arabia, to be joined later by other Arab countries. Tunisia requested to opt out in 1986.

While OPEC is mainly concerned with overall policy and pricing pertaining to oil and gas, OAPEC was created as an Arab-only regional inter-governmental organization to foster cooperation in the development of the petroleum industry among its members and to facilitate harmonization of strategies and policy-making prior to OPEC meetings. OAPEC attempts to achieve this by a dual political level and financial activity through ministerial meetings, energy conferences and technical seminars, and sponsoring joint-ventures. It, therefore, differs from IFIs in that it supports member states regardless of per capita income and is restricted to the petroleum and gas sector.

In pursuit of its objectives, OAPEC has sponsored the creation of four companies and a training institute to form a solid foundation for joint Arab action and Arab economic integration in the petroleum industry. The OAPEC-sponsored ventures are:

- Arab Maritime Petroleum Company (AMPTC) for the transportation of hydrocarbons
- Arab Shipbuilding and Repair Yard (ASRY); operation of floating docks and repair yard in Bahrain
- Arab Petroleum Investment Corporation (APICORP) primarily for the financing of petroleum and gas downstream and upstream projects due to the large capital requirements of such projects. APICORP is a partner of the fourth venture, the Arab Petroleum Services Co. and its subsidiaries, the Arab Drilling and Workover Co. (ADWOC), the Arab Well Logging Co. (AWLCO) and the Arab Geophysical Exploration Services Co. (AGESCO).
- Arab Petroleum Training Institute (APTI).

APICORP has assisted financially in the development of several petroleum projects (petrochemicals, fibres, phosphates, etc.) including private sector ones, by holding equity investments in Arab projects which in 1996 alone totaled US\$139 million. Projects are being financed with limited recourse to the host government or, in privately owned projects, with limited recourse to the private sponsors. APICORP is also involved in trade finance to support the export of Arab crude oil products