

INTERVIEW

The Main Challenge Facing Oil-Producing Countries Today Is to Develop Activities that Can Survive Hydrocarbons,

Nicolas Sarkis, Founder of the
Arab Petroleum Research Center (APRC), tells AOG

(Following is the text of an interview with Mr. Nicolas Sarkis, who founded the **Arab Petroleum Research Center** – APRC – in 1965 and ran it until the beginning of 2012. APRC published two fortnightly newsletters, **Arab Oil & Gas** and **Pétrole et Gaz Arabes**, as well as a monthly magazine and three yearbooks until the end of 2011. Its activities were taken over by **Stratégies et Politiques Energétiques** at the beginning of 2012. Mr. Sarkis now works as an oil consultant – see following page for his biography).



Arab Oil & Gas: *You established the Arab Petroleum Research Center (APRC) in Beirut in 1965 and the following year launched Arab Oil & Gas Magazine, followed by Pétrole et Gaz Arabes in 1968 and Arab Oil & Gas in 1971. Can you describe the environment in which you created this company and these publications and outline your objectives at the time?*

■ **Nicolas Sarkis :** When **Arab Oil and Gas** was launched more than 40 years ago already, I did not expect it to last such a long time and, along with its five sister publications [**Pétrole et Gaz Arabes**, **Arab Oil & Gas Magazine**, the **Arab Oil & Gas Directory**, the **Natural Gas Survey, Middle East and North Africa**, and the **Refining and Petrochemical Survey, Middle East and North Africa**], attract an international readership that continues to have confidence in it. At the outset, neither I nor my associate had any journalistic experience, nor any public or private support. I myself worked as a consultant for certain oil-producing countries, as did my associate, Abdallah El Tariki, who had been Saudi Arabia's first Oil Minister. It was in that capacity, moreover, that he accompanied the founder of Saudi Arabia, King Abdelaziz, to the latter's famous meeting in 1945 with President Franklin Delano Roosevelt aboard the *USS Quincy*, which was passing through the Suez Canal at the time. That was the occasion on which the Saudi-American pact was sealed, and it has weighed heavily on international oil relations ever since.

But it was in Beirut, where he sought refuge after quitting his ministerial post, that I first met Mr. El Tariki and that we decided to launch **Arab Oil & Gas Magazine**, the first publication devoted to the oil and gas industry in the Arab world, in 1966. We shared two motives for doing so. The first was to make Arab countries aware of the growing importance of their oil wealth, both for furthering their economic and political development and for covering the world's energy needs. The second was to launch a campaign against the control exerted by concessionary companies over Arab countries' wealth through the nationalization of their oil industries and the establishment of direct and more balanced relations with consuming countries. To achieve those goals, our most effective platforms were the publication produced by the **Arab Petroleum Research Center** and the *Arab Petroleum Congress* that took place every two years in an Arab capital.

Before going that far, however, the main concern of oil-exporting countries was to improve their old concession agreements, which meant essentially: raising the “posted” prices that served as a basis for calculating royalties and taxes; securing a fairer sharing of the profits; recovering and utilizing the huge volumes of associated gas that were being flared and completely wasted; and taking stronger action to conserve resources, and so on.

AOG: *Considerable progress has been made towards achieving those goals since the Arab Petroleum Research Center was founded.*

■ **N. S.:** The progress made towards those goals by some countries, or within the framework of **OPEC**, was very slow until the emergence of a new “oil nationalism” in the Arab world burst open the last bolts and gave a fresh impetus to the evolution underway since the 1960s. An irresistible wave of nationalizations swept through the countries of North Africa and the Middle East, starting with **Algeria** in 1971, followed by **Libya, Syria** and **Iraq**. For their part, Arab states in the Gulf preferred to go down the path of negotiations to purchase shareholdings in concessionary companies before eventually taking 100% control of them. In tandem with this forced or negotiated liquidation of the old concessionary companies, new national oil corporations were established and quickly imposed themselves as major players on the international oil scene in their own right.

WHO'S WHO	<p>> Nicolas SARKIS Oil consultant, Born: 28 December 1935 in Yabroud, Syria.</p>
	<p>Education</p> <ul style="list-style-type: none"> - Degree in Law from the Université Saint Joseph in Beirut, Lebanon (1956) - Doctorate in Economics, Paris (1961)
	<p>Publications</p> <ul style="list-style-type: none"> - “<i>Oil as a factor of integration and economic development in Arab countries</i>”, Paris, 1962. - “<i>The oil problem in Lebanon</i>”, Beirut. - “<i>Oil in the Arab era</i>”, Editions Stock, Paris, 1975.
	<p>Consultancy Work</p> <p>Has acted as oil consultant since 1966 to a number of oil companies, oil-producing countries (Algeria, Libya, Angola, Congo-Brazzaville, Iraq, Syria) and MITI in Japan.</p>
	<p>Publishing Activities</p> <p>From 1965 to 2012, founder and General Manager of the Arab Petroleum Research Center (APRC), based in Beirut and Paris, which published :</p> <ul style="list-style-type: none"> - Arab Oil & Gas, an English-language bimonthly. - Pétrole et Gaz Arabes, a French-language bimonthly. - Arab Oil and Gas Magazine, an English-language monthly. - Arab Oil and Gas Directory, an English-language yearbook. - Natural Gas Survey, Middle East and North Africa, an English-language yearbook. - Refining and Petrochemical Survey, Middle East and North Africa, an English-language yearbook
	<p>Articles and Speeches</p> <ul style="list-style-type: none"> - Conference speeches and numerous articles in the international press on world energy problems. - Founder (in 2010) and Chairman of Solarmed, a firm specialized in the development of solar energy, which organized the Solarmed Conference/Exhibition in Paris in September 2010. - Organizer or co-organizer with the Franco-Arab Chamber of Commerce in Paris of a dozen seminars on Franco-Arab energy relations.
	<p>Awards</p> <ul style="list-style-type: none"> - “Oil Economics” Prize, <i>Arab Petroleum Congress</i>, Cairo, 1971. - Franco-Arab Friendship Prize, Paris, 1977.

AOG: *You have always taken a very close interest in the links between hydrocarbons and economic development in the Arab world. What observations would you make today on this important subject for that part of the world?*

■ **N. S.:** The challenges now facing oil and natural gas exporting countries, whether in the Arab world or not, are of a different kind. They essentially concern the good management of their hydrocarbon wealth and, above all, the exploitation of that wealth and of the revenues it generates for the diversification of their economies and the development of other productive activities that can survive oil and natural gas.

AOG: *How do you now view the development of these publications that you created, especially **Arab Oil & Gas**, whose 1000th edition we are celebrating?*

■ **N. S.:** My thoughts on the occasion of the appearance of the 1000th issue of **Arab Oil & Gas** are that this newsletter and its sister publications in English and French have done their best to accompany and decipher the development of the oil and gas industry in the world's principal hydrocarbon producing and exporting region.

Finally, I can only welcome the fact that I made a good choice a year ago when I transferred responsibility for these publications to **Stratégies et Politiques Energétiques**, a company run by Francis Perrin, which spares no effort to maintain and improve their editorial quality while at the same time modernizing their presentation. That is the best guarantee that can be given to all those around the world who have put their trust in us over the decades.

