



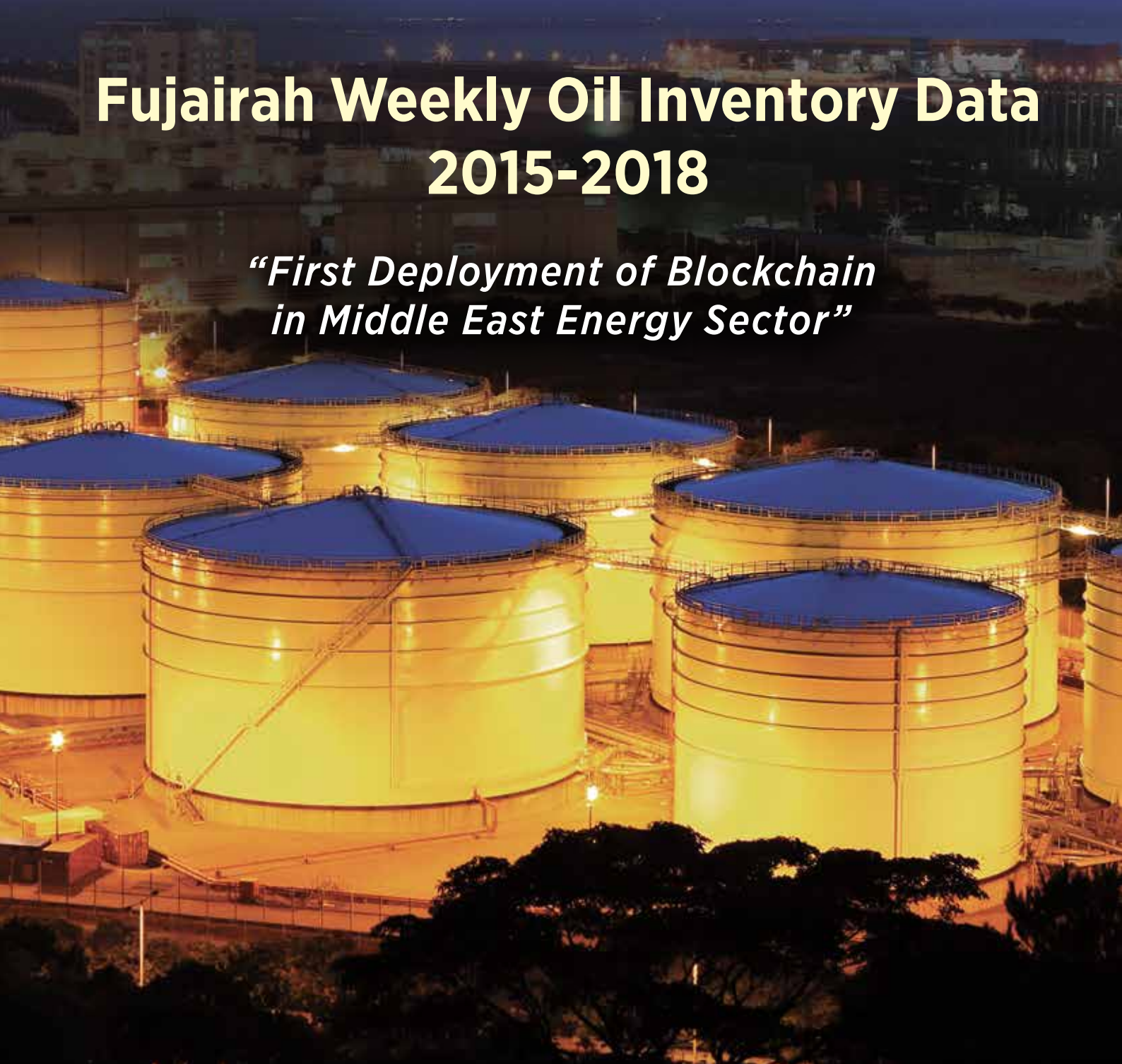
Consultancy
Gulf Intelligence

S&P Global
Platts

CASE STUDY

Fujairah Weekly Oil Inventory Data 2015-2018

*“First Deployment of Blockchain
in Middle East Energy Sector”*



“The Blockchain innovation represents the next step forward in Fujairah’s ambitions to become a global hub for commodity trading. It will allow our terminal operators to be at the forefront of technology while at the same time operating at the highest level of security.”

**Captain Salem Al-Hmoudi, Director
Fujairah Oil Industry Zone**

UAE Government Open Data Policy 2021

Why data is open?

In line with the principles of transparency, openness, cooperation and sharing, the United Arab Emirates has adopted the open data concept – the government encourages all its ministries to provide files and documents through its website that includes content that can be shared and republished to increase the level of public awareness in the specialized knowledge of its practices.

The UAE open data policy is considered one of the leading practices that reflect the desire of the UAE for continuous development. By opening up to the public and providing all the data and information they need in a transparent and seamless manner, it enables them to follow up and to give their feedback about the quality of Govt services and activities.

The UAE realises the importance of making data and information available for government and private sectors as it allows citizens and residents access to whatever they need and can support their participation in the development process. This falls under the philosophy of understanding community needs and achieving the Global Competitiveness requirements.

In this context, the UAE launched several initiatives related to information and services in the fields of knowledge, publishing and introducing facts, statistics and data. These efforts culminated in achieving first place in the MENA region and 26th globally in the Corruption Perceptions Index 2013 issued by Transparency International. The index includes measures for the levels of disclosure, obligation to disclose, and the publishing of, information and statistics.

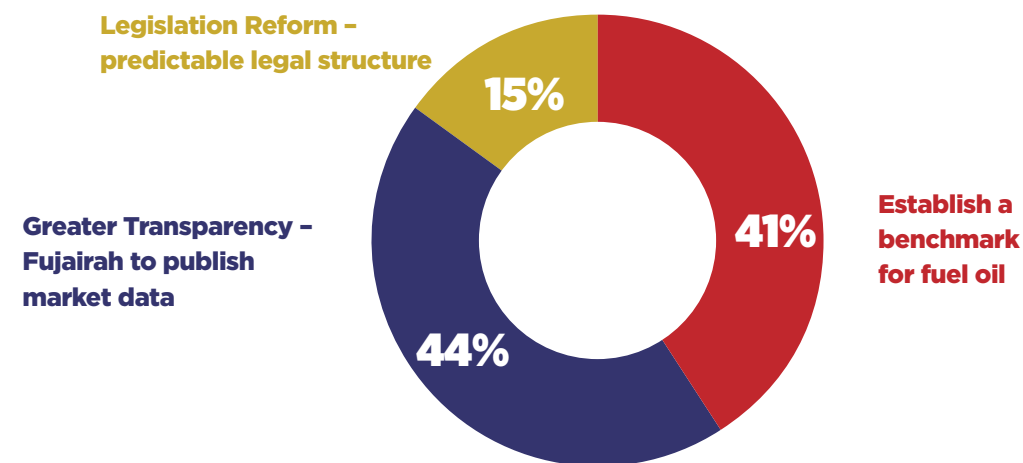
Open Data benefits:

- ✓ Promoting trust in government through increased public understanding of its work
- ✓ Supporting strategic planning operations, improving competitiveness and promoting creativity in the best interests of the community
- ✓ Promoting innovation through making data available for private companies to develop new services with added value
- ✓ Increasing scientific research motivation by conducting research and studies based on published information and statistics
- ✓ Correcting economic and social decisions on all levels in order to provide individuals, companies and organizations with the necessary information to make investments and expand their business
- ✓ Increasing employment rate and creating job opportunities, as open data promotes foreign investments, and support for the business environment
- ✓ Reducing corruption opportunities as a result of clear systems of general accounting
- ✓ Supporting economic prosperity and social security

“Gulf Intelligence Harvests Dormant Data & Converts it into Actionable Intelligence”

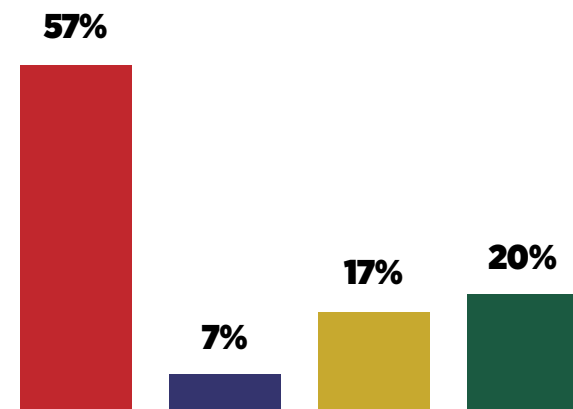
How to Establish a Trading Hub? GIQ Industry Survey

What is the Most Urgent Recommendation Required to Establish a Liquid Trading Hub in the Gulf by 2020?



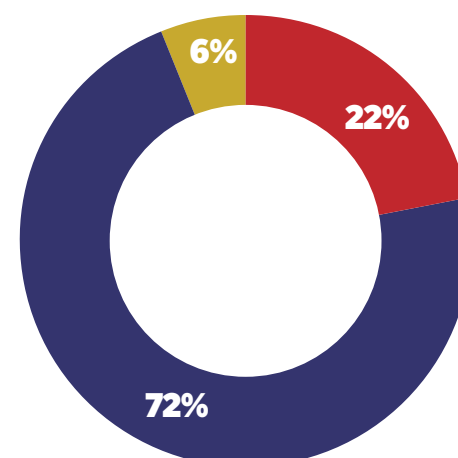
What is the main obstacle to the UAE's ability to evolve into a mega trading hub that rivals behemoths Singapore and Rotterdam?

- A** Lack of independent Middle East oil products benchmarks
- B** Restricted & costly access to local capital
- C** Infrastructure does not compare to Asia & Europe
- D** Government regulation



As the Gulf ramps up its refining capacity and energy consumption, independent oil products benchmarks would be...

- A** Nice to have, but not critical
- B** Urgently required – it is imperative for price accuracy
- C** Forget it – there are enough global pricing benchmarks



Fujairah Weekly Oil Inventory Data Project

Executive Summary

Gulf Intelligence research shows there is a growing desire to see the Middle East host a global oil trading hub after a decade which saw the domestic downstream markets in the region post some of the strongest growth figures of any in the world. The soaring demand in the Gulf for jet fuel, naphtha, diesel, gasoline and fuel oil, is triggering calls for establishing an independent oil products benchmark in the region rather than continue with the current model, where products are priced off a Singapore contract.



HH Sheikh Hamad Bin Mohammed Al-Sharqi, The Ruler of Fujairah, UAE, hosts Mr. Martin Fraenkel, President of S&P Global Platts, after the two parties signed an agreement to publish Fujairah's weekly oil inventory data (13/11/2016)

Fujairah has emerged as the ideal hub for the Middle East, along with Singapore, Rotterdam and Houston, according to 83% of respondents in a GIQ Industry Survey. “Today Fujairah sits at the heart of the new energy corridor opening up East of the Suez Canal to Asia, and not only is it a world-scale bunkering and oil products storage center—it is now also becoming an important crude oil export center,” HE Suhail Al-Mazrouei, the UAE's Minister of Energy, told Gulf Intelligence.

“This transparency initiative to publish weekly oil inventory data will play a key role in Fujairah's evolution from a key logistics hub for the region into a trading hub for global energy markets,” he said.



Gulf Intelligence
~ We Facilitate Knowledge Exchange ~

Gulf Intelligence is a strategic communications & research firm effective across the full value-chain of the Middle East Energy Sector. We facilitate knowledge exchange and advance the business interests of national and international stakeholders operational in the regional industry.

Fujairah Weekly Oil Inventory Data Project – Timeline

SEPT. 2015

Fujairah stakeholders recommend greater transparency in Fujairah is needed to attract more foreign direct investment



APR. 2016

Oil Markets Workshop – Top Recommendation: Publishing Weekly Inventory is the first major transparency step required to establish Fuel Oil Benchmark



JUN. 2016

Transparency Dialogues with Tank Terminals in Fujairah to support the Publication of Weekly Aggregated Inventory Numbers



NOV. 2016

Fujairah Oil Industry Zone Appoints S&P Global Platts to Distribute Fujairah Weekly Oil Inventory Data



FEB. 2018

S&P Global Platts deploys Blockchain for collation of Fujairah oil inventory data

2015

2016

2017

2018

DEC. 2015

Special Report Published *Fujairah – Realizing Ambitions for a Global Energy Hub One Step at a Time*



MAY 2016

Oil Markets Workshop White Paper – Top Recommendation: Publishing Weekly Inventory is the first major transparency step required to establish Fuel Oil Benchmark



SEPT. 2016

Fujairah announce plans to launch Fujairah Weekly Oil Inventory Data

JAN. 2017

Fujairah Weekly Oil Inventory Data officially launched and available publicly via S&P Global Platts website

Fujairah Oil Industry Zone Publishes Inaugural Weekly Inventory Data via S&P Global Platts

Stock levels as of 16 January 2017



Brought to you by
GI Gulf Intelligence

Source: FedCom/S&P Global Platts

Project Index

September
2015

Fujairah Stakeholders Recommend Greater Transparency in Fujairah is Needed to Attract more Foreign Direct Investment at The Gulf Intelligence Energy Markets Forum 2015

Hosted under the Patronage of His Highness Sheikh Hamad Bin Mohammed Al-Sharqi, Ruler of Fujairah, the 2015 Energy Markets Forum focused on the volatility of the markets in a new energy era with an emphasis on what the winning strategies are for all markets involved.

Through a series of high level discussions, surveys and workshops with over 150 senior executives & stakeholders, recommendations were put forward to solving critical timely industry questions.

December
2015

Special Report Published – Fujairah Realizing Ambitions For a Global Energy Hub One Step at a Time

This Special Report was a compilation of the content harvested from the The Gulf Intelligence Energy Markets Forum with a focus on the recommendations for Fujairah to move forward, expand and elevate its status of a fully integrated hub.

April
2016

Oil Markets Workshop – Top Recommendation: Publishing Weekly Inventory is the First Major Transparency Step Required to Establish Fuel Oil Benchmark

Key stakeholders from across Industry and Government were gathered at The Oil Markets Workshop on April 27, 2016 to brainstorm and harvest the Top 3 Recommendations for tackling the critical questions on the following:

1. What are the Top 3 Recommendations Required to Establish a Liquid Trading Hub in the Gulf by 2020?
2. What are the Top 3 Recommendations Required to Deliver Successful & Independent Oil Products Benchmarks in the Gulf?

44% of participants agreed that the most urgent recommendation required to establish a liquid trading hub in the Gulf by 2020 is greater transparency – Fujairah to publish market data

61% agreed that the most urgent recommendation needed to deliver successful & independent Oil Products Benchmarks in the Gulf is to start a weekly Arab Gulf inventory report accurately reflecting regional fundamentals in lieu of Singapore.

May
2016

Oil Markets Workshop White Paper – Top Recommendation: Publishing Weekly Inventory is the First Major Transparency Step Required to Establish Fuel Oil Benchmark

The Oil Markets Workshop White Paper details the intertwined importance of establishing independent oil products benchmarks, data transparency and legal clarity. The Top 3 Recommendations from the Oil Markets Workshop form the crux of the Oil Markets Workshop White Paper.

June
2016

Transparency Dialogues – Aim to secure Agreement from Tank Terminals in Fujairah to support the Publication of Weekly Aggregated Inventory Numbers

Fujairah sought to encourage its customers to publish weekly inventory data to replicate the data sets that are provided by customers in other major trading hubs, such as an aggregate breakdown of crude, residuals, middle distillates and light ends.

September
2016

Fujairah Announce Plans to Launch Fujairah Weekly Oil Inventory Data

“Further to the discussions with all Fujairah terminals operators, we are pleased to have reached a consensus on publishing Storage Data on a weekly basis, while protecting the confidentiality of terminals and traders through the anonymity provided by the publication of aggregated oil product volumes,” said Dr. Salem Abdo Khalil, Technical Advisor, the Government of Fujairah.

November
2016

Fujairah Oil Industry Zone Appoints S&P Global Platts to Distribute Fujairah Weekly Oil Inventory Data

The Fujairah Oil Industry Zone (FOIZ) and S&P Global Platts signed a Memorandum of Understanding (MoU) in which the independent data agency was awarded the mandate to distribute weekly inventory storage data and support the emirate in its outreach to those outside the Gulf region without an appreciation of Fujairah’s ever-growing capabilities.

January
2017

Fujairah Weekly Oil Inventory Data Officially Launched and Available Publically via S&P Global Platts Website

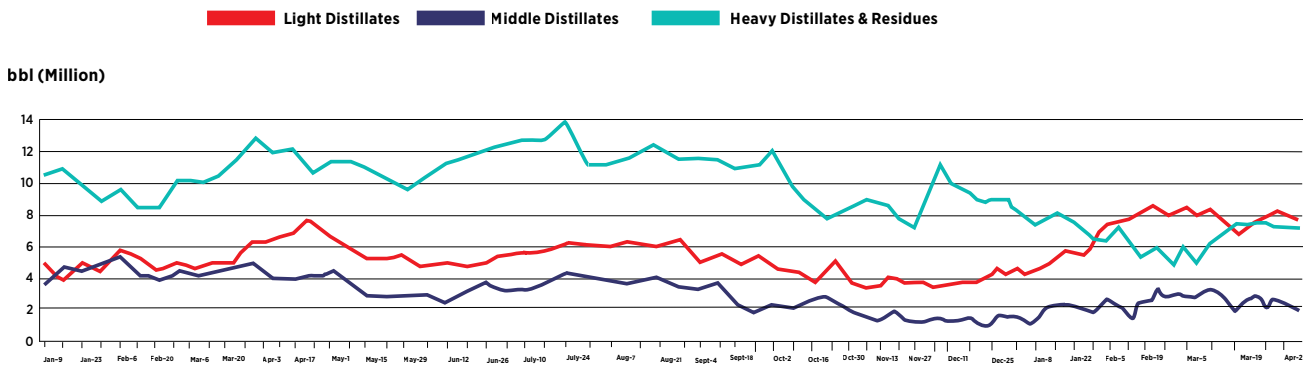
“Releasing Fujairah’s oil inventory data on a weekly basis is a crucial step to nurturing the growth of a robust energy trading ecosystem in the emirate and the wider Gulf. Fujairah’s strategic geographic position at the heart of the growing energy corridor east of the Suez Canal to Asia and Africa, as well as its world-class bunkering and oil products storage, heralds the emirate’s dawn as a global energy hub” – His Highness Sheikh Dr. Rashid bin Hamad Al Sharqi, Deputy Chairman, FOIZ.

February
2018

S&P Global Platts deploys Blockchain for collation of Fujairah oil inventory data

S&P Global Platts announced that it is deploying a proprietary, secure Blockchain network to allow market participants to submit weekly inventory oil storage data to Fujairah Oil Industry Zone (FOIZ) and the regulator, FEDCom.

Fujairah Weekly Oil Inventory Data



Source: FedCom/S&P Global Platts



S&P Global Platts deploys Blockchain for collation of Fujairah oil inventory data



LONDON (22 February 2018) – S&P Global Platts, the leading independent provider of information and benchmark prices for the commodities and energy markets, today announced that it is deploying a proprietary, secure Blockchain network to allow market participants to submit weekly inventory oil storage data to Fujairah Oil Industry Zone (FOIZ) and the regulator, FEDCom.

FOIZ hosts the Middle East's largest commercial storage capacity for refined oil products. As exclusive publisher of FOIZ's weekly oil inventory numbers, S&P Global Platts continues to partner with the Emirate in its journey to becoming a global trading hub.

In collaboration with FOIZ, FEDCom and the 11 terminal operators that use the flagship Middle Eastern facility, S&P Global Platts has developed a full scale commercial deployment of the Blockchain distributed ledger

technology. This offers FOIZ and its port operators security, together with ease of use, and a full audit trail to collate weekly inventory oil products storage data.

The new technology improves the manual and unstructured process by which the terminal operators communicate their weekly inventory numbers to FEDCom. The new solution also alleviates the need for FEDCom to undertake manual validation and aggregation of each terminal operator's numbers, reducing the scope for human error.

James Rilett, Senior Director of Innovation and Digital Strategy, S&P Global Platts said: "We believe our project, in conjunction with our partners in Fujairah, represents a first for oil markets by offering a full Blockchain deployment to provide market participants with data that is increasingly critical in the region and to the global oil markets."



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