Petro Diplomacy: The Political Economy of Volatile Oil Prices
Conference Report
The Arab Gulf States Institute in Washington (AGSIW), established in 2014, is an independent, non-profit institution dedicated to increasing the understanding and appreciation of the social, economic, and political diversity of the Arab Gulf states. Through expert research, analysis, exchanges, and public discussion, the institute seeks to encourage thoughtful debate and inform decision makers shaping U.S. policy regarding this critical geo-strategic region.

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About This Report

June 30, 2015 – This report was compiled by Vinod K. Aggarwal following the AGSIW conference “Petro Diplomacy: The Political Economy of Volatile Oil Prices” held on April 27, 2015.

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Welcome Letter

Dear Colleagues,

On behalf of the Arab Gulf States Institute in Washington's Board of Directors and staff, it is my pleasure to share with you the report of our inaugural conference: “Petro Diplomacy: The Political Economy of Volatile Oil Prices.”

Hosted on April 27, 2015, the conference brought together scholars, analysts, policymakers, and the private sector, to examine the implications and prospects for energy producers and consumers in light of the recent volatility in oil prices. Within this context, panelists focused specifically on the Arab Gulf states and the domestic implications of this period of uncertainty in the oil markets, as well as its effects on foreign policy and the relationship between the Arab Gulf States and the United States.

Just over a year old now, AGSIW is the first organization of its kind in Washington, DC to focus solely and in depth on the Arab Gulf states; our goal is to become nothing less than Washington's primary source of credible and expert analysis about the Arab Gulf states and the complex issues that impact the region and U.S. interests. Our inaugural conference, which generated this report, and the variety of public programing and publications we have produced, have taken us a step further in that direction.

I would like to especially thank Vinod Aggarwal, AGSIW non-resident fellow, professor of political economy in the Political Science Department at the University of California, Berkeley, and director of the Berkeley Asia Pacific Economic Cooperation Study Center (BASC), for his invaluable analysis and contribution to this report. I would also like to thank Kate Dourian and the Middle East Economic Survey (MEES) for their support leading up to and during the conference.

I hope you find this report informative and useful, and I look forward to engaging with you in the months and years to come.

Yours,

Ambassador Marcelle M. Wahba

President, Arab Gulf States Institute in Washington
Foreword

Despite the much ballyhooed “pivot” to Asia, the United States' commitment to the Middle East remains strong. Indeed it is essential that our nation remains engaged in the area's key political, economic, and security issues and that such engagement remains unabated.

As the Middle East continues to be reshaped by the region's seismic changes, underway since 2010, the importance of America's relations with our Arab Gulf friends has become clearer than ever.

The Arab Gulf states have weathered the turmoil of the last four years and have emerged stronger and more influential for the experience. Having maintained domestic stability, endowed with significant resources, and led by rulers who have a clear sense of their interests, Arab Gulf nations have become key arbiters in the affairs of the Middle East.

For the United States, this is very good news, indeed. The leaders of the Arab Gulf states – for the present at least – find it in their essential interests to be closely aligned with the United States. It behooves us, therefore, to understand what the Gulf is, what its leadership thinks, and how the area's societies are evolving. But make no mistake, no relationship – no matter how important it seems to be – is destined to endure unless the parties to it understand each other and accommodate their respective needs.

The importance of our relationship with the Arab Gulf states was underscored by President Barack Obama's invitation to Gulf Cooperation Council (GCC) leaders to attend a summit at Camp David on May 14, 2015. While the invitation arose in the context of the ongoing nuclear negotiations with Iran, the timing was important because the meeting convened at a moment when the Arab Gulf states were demonstrating a new determination to defend their interests, with all that implies for their relationship with the United States. Obama and the region's leaders assessed common threats and agreed on a way forward that will advance the interests we share. Principal among these challenges is the need to find political solutions to the multiple conflicts that are threatening the stability of the Middle East and the sovereignty and territorial integrity of Iraq, Syria, Yemen, and Libya.

In this context, the United States and Arab Gulf states will have to work closely together to find a modus vivendi with Iran. To my way of thinking, there are few greater challenges or higher priorities on America's crowded diplomatic agenda than the need to address the divide between Iran and its Arab Gulf neighbors. Tension across the Gulf and the proxy conflicts they
generate fuel conflicts throughout the region. The possibility of violence on the very waters of the Gulf is a threat to the entire world. Differences between Iran and the Sunni states of the region must be addressed. Both sides of the Gulf need new security architecture and achieving it is in the direct interests of the United States. Hegemony by any state is not possible and is inimical to the interests of the United States. To the contrary, the United States’ commitment to balance, peace, and stability in the Gulf must be rock solid.

Washington and partners in the Gulf already are cooperating against the so-called Islamic state within the international coalition formed to eliminate the threat this terrorist group poses to our collective security. Beyond the military campaign, the crucial effort to delegitimize the ideology that lures young men and women from around the world into the ranks of violent extremist groups needs to be strengthened and sustained. The Gulf states have a critically important role to play and many have stepped up to the plate with creative initiatives.

I argue that the launch of the Arab Gulf States Institute in Washington is important and timely. The United States needs an institute to promote dialogue, cooperation, and mutual understanding between the United States and our Gulf allies. Through the programs it conducts, the analytical studies it publishes, the exchange programs it manages, this institute can strengthen the foundations upon which our relationships are based. The institute's goal is to become the place where these conversations between the Gulf and the United States can take place. The discussions compiled in this event report are a starting point, and I look forward to continuing the dialogue we have begun.

Ambassador Frank G. Wisner

*International Affairs Advisor, Squire Patton Boggs; Chairman of the Board, AGSIW*
Executive Summary

In June 2014, the price of oil, projected to continue increasing to at least $125 to $150 per barrel West Texas Intermediate (WTI), collapsed within six months to just under $50 per barrel. Oil prices continue to remain volatile. What were the causes of this dramatic fall? Was this a Saudi Arabian strategy to damage its competitors, particularly the U.S. fracking industry, which had rapidly been increasing output? Was this collusion between the United States and Saudi Arabia to pressure Russia, Iran, and Venezuela, as well as non-state actors with access to oil in the Middle East? Whatever the underlying motivations, what has been the effect of this decline in oil prices on U.S. shale oil producers, the domestic political economy of Gulf countries, and broader issues of foreign policy?

To analyze these critical issues, the Arab Gulf States Institute in Washington hosted the international conference “Petro Diplomacy: The Political Economy of Volatile Oil Prices” on April 27, 2015. Scholars, analysts, and CEOs from all over the world representing academic institutions, non-governmental organizations, multilateral organizations, and the private sector, including shale oil producers, attended the conference. (See pages 10-11 for the agenda.)

Split into three sessions, the conference focused on the implications and prospects for energy producers and consumers as a result of the recent volatility of oil prices as well as the foreign policy implications of this instability. The last session of the conference was a public forum during which discussions on the day’s proceedings were reviewed.

Oil prices tumbled by more than half starting in June 2014 as a result of increased supply. This fall was driven by Organization of Petroleum Exporting Countries (OPEC) inaction, gains in U.S. shale production and Canadian tar sands extraction, and dwindling demand. While the economic arguments seem strongest, there was no doubt an important element of political maneuvering involved, with the Saudis intent on driving out their new competitors as well as potentially damaging the economies of their political rivals. The significance of the United States as a potentially new “swing” producer is being driven by the importance of the U.S. shale industry. With entrepreneurship, new technology, and access to finance, many shale oil producers have achieved very significant efficiencies that have driven down their break-even point. Supply has become more elastic with more non-OPEC countries producing, while at the same time, demand has also become more elastic as consumers have more options for energy. Organization for Economic Cooperation and Development (OECD) countries are more energy efficient and fuel switching has become and will continue to be progressively a more viable option.

There are clear political winners and losers in the short term regarding the volatility of oil prices. The United States and its shale industry are now in a powerful position as a result of lower oil prices, while Saudi Arabia and other Gulf oil producers will have to dip into their financial reserves. Without an increase in the price of oil, which they may not be able to effect through cutting supply, the budgetary break-even point for many other oil producers seems increasingly out of reach. This development has significant political implications. For OPEC, it has shown its increasing inability to ensure cooperation between members. For OPEC member states, the reliance of political leaders on oil revenue in the long term may impact their legitimacy and domestic stability. And for non-state actors reliant on oil revenue to promote their goals, lower oil prices have reduced the levels of easily available cash from black market sales.

Volatile Oil Prices: Origins, Impacts, and Prospects for Energy Producers and Consumers

Origins

Oil remains a cyclical commodity, and each cycle puts in motion a set of forces that influences the next phase. Since 2000, the oil industry has experienced four distinct patterns. The first phase (2000-07) has been a period of “Boom and Bottleneck” with demand for oil fueled by China’s booming economy without supply able to react, leading to high and rising prices. The second phase (2005-12) saw new areas such as deep water being explored and new technologies being produced in what is known as the “Flight to the Frontiers–Areas” as companies tried to react to this lack of supply. From 2011-14, the phase of “Resource Realization” witnessed the results of the previous phases, with a larger amount of oil coming online and downward price pressure mounting. Finally, the “Great Reset” of 2014, has exposed the imbalances once again, and the latest downturn in prices will lead to a slowdown of oil production in many areas of the world.

These trends counter the conventional wisdom. For years analysts had predicted that the price of oil would continue to increase to at least $125 to $150 per barrel. In fact, in June 2014, analysts from the International Energy Agency (IEA), Bank of America/Merrill Lynch, Morgan Stanley, and many others predicted that the price of oil would rise to over $140 per barrel. Yet, that same month, the markets turned and the price of oil began a sharp decline that almost no one anticipated. It was at its lowest point since the depths of the 2008 financial crisis in only six months, with a price just under $50 per barrel.
The collapse of 2014 should have been predictable, as it was the result of supply outpacing demand by almost three times. Moreover, despite the fact that new players such as Canada, Brazil, and the United States (specifically with shale) were increasing production, and with fewer disruptions in Libya and Iraq, OPEC maintained its production output, allowing for oil to flood the market. In fact, from 2012-14 the United States ranked as number three among the top 10 countries in oil production. Simultaneously, demand decreased as a result of the slowdown from emerging economies (specifically China), oil subsidy reform in many countries, and new technological developments in the energy sector (i.e., fuel efficiency and non-fossil fuel developments). Some analysts have argued that collusion between the United States and Saudi Arabia to put pressure on either Iran or Russia – or both – was a major factor in the current situation. Regardless of the exact motivation of different actors, the current state of low oil prices is a result of large physical imbalances in oil markets in 2014 (on both supply and demand sides).

In addition to microeconomic industry developments, from a macroeconomic perspective, the appreciation of the U.S. dollar and low interest rates have contributed to the volatility of oil prices. This development has been the flip side to the normal association of low oil prices being driven by a recessionary environment resulting form high interest rates.

But low oil prices are only part of a larger problem. Of greater concern to most consumers and producers in the oil market is the increased volatility in prices. With the lack of coordination between OPEC and countries with larger output, the price of oil plummeted. OPEC’s inaction on a price floor or a production cap shows either a political move on the part of OPEC or, more likely, exposed the inability of OPEC members to cooperate. Yet volatility has not been negative for all actors, indeed, with the growing importance of rapidly increasing speculative financial flows into oil markets, volatility is actually preferred by the financial industry as it allows for potentially large returns on investment. This is not a welcome result for the oil industry.

Impact on the Oil Industry

With oil being an integral part of the global economy, volatile oil prices have impacted individual countries and the global economy in various ways. On the one hand, reduced cash flows have led capital expenditures to fall by 40 percent in the United States, evidenced by a 50 percent fall in the number of U.S. land rigs being operated. From a global perspective, the hardest hit have been high-cost oil producers in the Alberta Tar Sands, Brazil’s Pre-Salt Oil, and all global deep-water operations. Overall, there has been a 60 percent reduction in growth compared to 2014, creating pressure to balance capital expenditure with cash flows.

Even before oil prices fell, return on capital did not reflect the benefits to the industry of high oil prices. In fact profits were relatively poor among major oil producers. In the two years prior to the price crash, many companies had decided to cut back on spending to increase their return on capital. Spending in 2015 is being cut heavily, in part due to the low prices. Thus, for the majors, the focus shifted to delivering greater efficiency with higher returns.

By contrast, the story is quite different for many U.S. shale oil producers. While the majors
have been rethinking their models, North American fracking companies have been delivering better cost performance, with companies such as Chesapeake, Continental, Devon, EOG, Pioneer, Range Resources, and Southwestern leading the way. Indeed, the fracking industry has become significantly more cost efficient and responsive to oil prices than the conventional oil industry outside of North America, driven in large part by technological and operational advances. Average drilling days are down from 14.2 to 4.3 and high-density fracking has led to a 39 percent increase in cumulative oil production. In turn, these changes have led to a higher rate of return on investments. Strikingly, some fracking companies have been able to achieve a higher rate of return on $65 oil in today’s markets – as opposed to $95 oil in 2012 – primarily as a result of these technological advances and resulting efficiencies.

The success of this entrepreneurial play by U.S. companies has been a major factor in the current crisis. In fact, the United States added more than Iraq’s total production in just one year. Consequentially, lower oil prices will actually lead to greater declines in production outside of North America in countries such as Russia, rather than in North America.

A key driving force in U.S. oil production has been the linkage to U.S. capital markets. At this point in the cycle, it is actually financial flows that are driving the price of oil more than anything else. In turn, oil prices will determine the availability of capital and impact oil production. These linkages, albeit not new, have become the new linchpin of the oil markets as they deeply influence the swings in U.S. oil production. With significant investment pouring into the shale industry to secure high returns, there is now a large inventory of uncompleted wells that can be easily completed as soon as oil prices rise.

In the meantime, with oil prices still low, some fracking companies have adjusted their strategy to maintain a high return on investment. This entails no oil drilling growth in 2015; improving well productivity through completion technology and finding better rock quality; and lower well cost through service cost reduction and continued efficiency gains.
United States, the New Swing Producer?

The prospects for the oil industry in the current environment are multi-faceted. On the one hand, the global oil industry continues to face head winds, with under investment leading to stagnating production and profits. Yet on the other hand emerging are new technologies, new resources, and a key role for the financial sector in the oil producing structure. Moreover, the traditional notion of space capacity is changing as the shale revolution creates new market dynamics.

For the foreseeable future, the United States appears to be increasingly displacing Saudi Arabia as a swing producer. Globally, there are no new major oil players as large as the Eagle Ford, Bakken, or Permian fields. Thus, the U.S. fracking industry will continue to produce from these fields, and currently there are multi-decades of horizontal drilling inventories in the United States. The implications of this change is that this major shift in oil production away from the developing world to North America might mean that political turmoil in the developing world is translating to less market volatility and less sensitivity to politics because U.S. producers can be a buffer to supply disruptions.

Still, important U.S. government policies will likely influence U.S. oil production. The most important of these is the current U.S. export ban on crude oil. At this point, there appears to be an even chance that the crude oil export ban will be lifted by the next administration but little likelihood that it will happen before then. If this ban were removed, it would likely translate into a $5 to $7 increase in U.S. oil prices. Other policy issues that could affect shale oil production in the United States include environmental concerns and some fears about the environmental and geological effects of fracking. For the most part, however, it would appear that these could be addressed, at least for now, with sophisticated drilling technologies. The broader impact of using fossil fuels on global warming will, of course, continue to be a source of political dispute.

With respect to OPEC countries, there has been a split between rich and poor OPEC countries such as Saudi Arabia and Kuwait, on the one hand, and Iran and Iraq on the other. Furthermore, concerns about geopolitical tensions and the possibility of war make the current production outlook much more complicated. Without domestic reforms to increase efficiency, many OPEC countries will continue to face budgetary constraints even with higher oil prices.

Finally, in terms of cooperation among oil producing states, if OPEC had coordinated among its members, it could have continued to maintain a high oil price, at least in the short run. And if OPEC had coordinated with new financial markets, the potential for these markets to create ongoing volatility in the oil market.

At this point, however, the major driving force for shale oil production is the financial market, with the potential for these markets to create ongoing volatility in the oil market.
producers (Canada, Brazil, the United States) the volatility and low price of oil could have been avoided. For the foreseeable future, neither of these scenarios appears to be likely given the growth of shale oil production. Still, debate continues on the extent to which the United States will have significant spare capacity, given the demand for oil as countries in Europe recover from the recession and the possibility of a return to rapid growth in Asia. At this point, however, the major driving force for shale oil production is the financial market, with the potential for these markets to create ongoing volatility in the oil market.

The Foreign Policy Implications of Volatile Oil Prices

The Domestic Political Economy of the Gulf States

Volatile oil prices have had a significant impact on the domestic political economy of the Gulf states. The most important problem that these states face is the failure to this point to move away from their heavy dependence on oil revenue. With very large subsidies and energy inefficiencies in the region, it is a daunting task that many governments must take to address their budgetary difficulties. In particular, Saudi Arabia and other Gulf countries that depend on oil revenue (some up to 80 percent dependence) need to readjust their budgets in order to cope with the low prices. Saudi Arabia, for example, has a break-even point on its oil production at $103 per barrel. Continually borrowing and dipping into reserves to cover this shortfall is unsustainable for many of these countries, despite having large reserves. The real threat of budgets turning from surpluses to deficits creates potential risks to the domestic social contract in these states, which rely on subsidies and other benefits for political legitimacy. For these countries, diversification has become a top priority, and will remain so particularly if the price of oil continues to plateau at such low prices.

Implications for OPEC

One of the main reasons for this new era of volatility in oil prices is OPEC’s inaction on production levels. Understanding the rationale behind this inaction is difficult and a definite answer is almost impossible. However, analyzing what is at stake for the individual OPEC members as well as challenging the idea that OPEC is an effective cartel will shed light on this situation.
Swing producer Saudi Arabia has the ability to affect prices by cutting or increasing production, and thus, the reasons for not cutting production are different for Saudi Arabia when compared to other members of OPEC. For the Saudis, low oil prices can damage their competition: the fracking industry in the United States, tar sands in Canada, and the conventional oil business in Iran and Russia. Thus from their perspective, while low oil prices over the long run don't suit their interests, in the short run they stand to gain by weakening their competition. With substantial financial reserves, the Saudis can absorb the impact of lower prices.

For the rest of OPEC, however, Saudi Arabia’s rationale does not apply. While most other members have voiced their desire for higher prices because of their fiscal budgetary incentives to secure higher revenue, their failure to achieve their goals calls into question the view that OPEC is a successfully functioning cartel. Indeed, many analysts have noted the difficulty OPEC members have had in cooperating over many decades, despite their success after the 1973 oil price shock. Statistical studies show OPEC has not been able to engage in collusion since the 1980s. Simply put, the organization may genuinely not have the ability to determine how much oil a member produces.

While this may come as a shock to many, the implications of such an argument is that OPEC’s unity is being undermined (or more controversially that there never was unity) and the ability to cooperate is becoming less likely. While Saudi Arabia will still be a major player in the industry as a result of its production capabilities and ability to affect the market, other members, such as Venezuela and Iran, are better seen as marginal players. Moreover, OPEC’s inability to cooperate means that oil prices will remain volatile as its power is diminished in the international political economy of oil.

The Security Situation in the Gulf and the Middle East

Oil and power have a unique relationship. Specifically, there is a strong relationship between oil revenue and the ability for aggressive leaders to seize power, and then take their countries into international conflicts through foreign policy adventurism, or engage in “petro-aggression.” By providing the means to reach specific power goals, as in the case of Saddam Hussein in Iraq, Muammar al-Qaddafi in Libya, and Ruhollah Khomeini in Iran, the political benefits of controlling oil revenue, especially high revenue, is important. Even though not all petro-states engage in this form of aggressive foreign policy, those with revolutionary leaders tend to fall within this category. How this oil revenue matters is important for these countries that are prone to such petro-aggression. Rent and other fees from oil revenue producers allow leaders to finance their militaries and also allow them to pursue a more aggressive foreign policy that can lead to war.

And while many rich oil-producing countries have enough reserves to maintain stability, a finite buffer may uncover cracks for internal elements to create a climate of instability.

4 Ibid.
With the current situation of lower oil prices, petro-aggression might be curbed in the long term. But in the short term, low oil revenue might create a fiscal crisis and even put domestic political stability at risk in some countries. And while many rich oil-producing countries have enough reserves to maintain stability, a finite buffer may uncover cracks for internal elements to create a climate of instability.

Oil Revenue and Power for Non-State Actors

In addition to state leaders, non-state actors have recognized oil as a key source of power, leading some countries to be more susceptible to civil wars, for example, Sudan, Angola, Algeria, Libya, Nigeria, Indonesia, and others. At the same time, new elements have emerged from the cracks of oil-producing countries in Syria and Iraq (the Islamic State in Iraq and the Levant), Nigeria (Boko Haram), and the African Sahel region, funded in part by oil revenue.

Such revenue is important to non-state actors for three reasons. First, the revenue allows them to secure weapons, which can cross borders. Second, oil revenue helps to fund radical religious and ideological leaders. Third, oil revenue often leads to social inequality and injustice, which provokes domestic grievances and political instability. Even though lower oil revenue has the potential for slowing down these three processes, to truly address them, more attention needs to be focused on the long-term financial and political dynamics in these countries rather than on just oil prices. Although, there are many causes of radicalization in the Middle East, and oil revenue is only one factor. Even with low oil prices, these issues are not going away.

U.S. Domestic Economy and Foreign Policy

Despite that low oil prices have meant that production is slowing, the United States has benefitted from lower oil prices in some ways. Specifically, fracking companies have suffered, but not as much as is widely thought given the low break-even prices noted. With better technological efficiencies, the entrepreneurship of North American fracking companies and financial markets are dictating the price of oil. In this case, the United States has been able to succeed in this time when most oil-producing countries have been weakened. Furthermore, it is now in a possible position of power regarding oil. Should the export ban be lifted by the next administration, the United States could become a new swing producer. Increasing U.S. oil production may also open up space for pursuing different methods of international diplomacy. Less interference in the geopolitics of the Middle East, which resulted from past dependency on oil from the region, may allow the United States to pursue new foreign policy initiatives while simultaneously using new tools of diplomacy.

Conclusion

Falling oil prices over the last year have created a new dynamic in the political economy of oil markets. There has been much speculation about why OPEC failed to restrain oil production to keep prices stable. From an economic standpoint, it is clear that gains in U.S. shale production as a result of technological innovation and access to capital have created at least a temporary glut in oil markets. By driving prices down, some analysts and experts argued that the Saudis hoped to drive out at least some fracking companies. Indeed, Saudi Arabia’s oil minister, Ali al-Naimi, recently argued, “The strategy is working... It will take time for markets to rebalance.”

Yet the extent to which the Saudis have actually succeeded is questionable. With new technology and efficiencies driving down their break-even point, fracking companies could easily re-enter the market. Moreover, as finance increasingly drives oil markets as investments flow in and out of the industry, continued volatility in oil markets seems likely.

In terms of the domestic political economy of the oil producers and broader foreign policy issues, the picture is similarly complex. While Saudi Arabia can respond to falling revenue by turning to its vast financial reserves, not all oil producers have this luxury. Thus, many of them may face economic constraints that may generate political instability. For the United States, greater energy independence may lead to new nuances in U.S. strategy toward the Middle East. Still, given their large oil reserves and geo-strategic position, the Gulf countries will continue to play a critical role in U.S. foreign policy calculations for the foreseeable future.
Session 1: Volatile Oil Prices: Origins, Impacts, and Prospects for Energy Producers and Consumers

Chair: Kate Dourian, Senior Editor, Middle East Economic Survey (MEES)

Roger Diwan, Vice President, IHS Financial Services
Aldo Flores-Quiroga, Secretary General, International Energy Forum
Kamel al-Harami, Independent oil analyst
Bill Thomas, Chairman and CEO, EOG Resources

Session 2: The Foreign Policy Implications of Volatile Oil Price

Chair: Vinod K. Aggarwal, Professor, Department of Political Science and Director, Berkeley APEC Study Center, UC Berkeley; Non-Resident Fellow, AGSIW

George T. Abed, Senior Counselor and Director for Africa & the Middle East, Institute of International Finance
Jeff Colgan, Richard Holbrooke Assistant Professor of Political Science and International Studies, Brown University
Jean-François Seznec, Visiting Associate Professor, Center for Contemporary Arab Studies, Georgetown University
Ambassador Frank G. Wisner, International Affairs Advisor, Squire Patton Boggs; Chairman of the Board, AGSIW
Session Three: Overview and Next Steps

**Chair:** Ambassador Stephen Seche, Executive Vice President, Arab Gulf States Institute in Washington

Roger Diwan, Vice President, IHS Financial Services
Kate Dourian, Senior Editor, Middle East Economic Survey (MEES)
Kamel Al-Harami, Independent Oil Analyst
Jean-François Seznec, Visiting Associate Professor, Center for Contemporary Arab Studies, Georgetown University
Ambassador Frank G. Wisner, International Affairs Advisor, Squire Patton Boggs; Chairman of the Board, AGSIW