



NATIONAL U.S.-ARAB CHAMBER OF COMMERCE

غرفة التجارة الأمريكية العربية الوطنية

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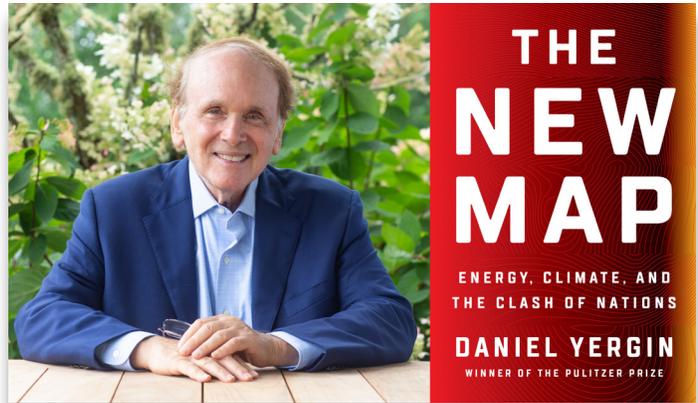


WEBINAR ON “ENERGY TRANSITION” KICKS OFF NUSACC’S GOLDEN ANNIVERSARY YEAR

**Dr. Daniel Yergin Leads Wide-Ranging Discussion Covering Geopolitics,
“The Big Three,” Renewables, Climate Change, Technological
Innovation & Disruption, and the Impact of the Pandemic**

**Yergin’s Most Recent Volume – *The New Map: Energy,
Climate, and the Clash of Nations* – Selected as “Book of the Year”**

The National U.S. – Arab Chamber of Commerce (NUSACC) kicked off its golden anniversary year with a webinar featuring Dr. Daniel Yergin, Pulitzer prize-winning author of four books dealing with energy issues. The webinar featured a wide-ranging discussion that revolved around Yergin’s latest book, *The New Map: Energy, Climate, and the Clash of Nations*. *The New Map* has already been recognized as a “Book of the Year” by National Public Radio and *USA Today*, as well as “Book of the Year” by Bloomberg Surveillance.



Dr. Daniel Yergin, Pulitzer prize-winning author of four books dealing with energy issues.

This was the first event in NUSACC’s new “Thought Leader Series” of webinars, and the response from NUSACC stakeholders was excellent. More than 400 business leaders and senior government officials participated in the webinar, which included stakeholders in 40 nations around the globe. NUSACC was also pleased to showcase some of its partners, including the [Los Angeles Chamber of Commerce](#), the [Union of Arab Chambers](#), the [World Trade Center of Greater Philadelphia](#), and the [World Trade Center of Utah](#).

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Key Takeaways from *The New Map*

In his opening remarks, Yergin explained why he wrote *The New Map*. He said, “It was the degree to which the world had changed in so many different ways over half a decade, in terms of energy, in terms of geopolitics, in terms of relations between U.S. and China, and in terms of changes in the Middle East region. All of those things came together, with technology continually changing and, of course, with the COVID-19 pandemic on top of that.”

He went on to say, “It seems to me that we are in a new terrain, and we need a map. So, that’s what led me to write *The New Map* – to provide some framework for thinking and understanding about where these changes are leading us. I hope it provides both for 2021 and beyond.”



David Hamod, NUSACC President & CEO.
Click [here](#) to view David’s introduction.

David Hamod, NUSACC’s President & CEO, asked Yergin about the three most important ‘takeaways’ from *The New Map*. Yergin replied, “Number one is the change in geopolitics, particularly the relationship between the U.S. and China. This is very important, obviously, to the Middle East region, because of security arrangements with the United States, and China is a large market. The Arab world doesn’t want to choose between the USA and China, nor do Arab countries want to be caught in the middle.”

Yergin continued, “The second takeaway is what I call the ‘energy transition’ – the changing attitudes to oil – which affects all of us, of course. It goes beyond the U.S. now being energy independent, to what is the stance of governments in both Europe and the United States toward oil because of their climate policies. For the oil-exporting countries, it provides an impetus to diversify that was not there in the past, when it was assumed that demand would just keep growing. In *The New Map*, I explore the different meanings of ‘energy transition’ and the challenges for oil exporters to diversify their economies.”

“And the third takeaway,” Yergin suggested, “are changes in the region itself, with that renewed emphasis on diversifying economies, to get them on a different footing to, among other things, provide jobs for the young people who need jobs. And that is a priority. It’s just not easy.”

In addition, Yergin noted, “Right at this moment, we’re at a juncture, where we are moving from the Trump era to the Biden era. In many ways, that’s going to be very different. And all of this is taking place against the backdrop of a global pandemic, of course, which affects everything, everywhere.”

For five decades, the National U.S. - Arab Chamber of Commerce (NUSACC) has served as a commercial bridge between the United States and the Arab world. Widely regarded as the voice of American business in the Middle East and North Africa (MENA) region, the Chamber serves nearly 50,000 members and stakeholders in the USA and across the Arab world. Awarded the E-Award for export excellence by the President of the United States, NUSACC is the only business entity in the USA that is recognized by the League of Arab States and the Union of Arab Chambers.





Climate Change: A Leadership Role for Iraq?

H.E. Fareed Yasseen, Iraq's Ambassador to the United States, said, "I am the ambassador of an OPEC founding state, and I'm also an early climate change activist. Dan Yergin shows Iraq's role as a precursor in Middle East oil. Later on, because of bad policies, we Iraqis dropped the ball. So, now we are playing catch-up with production and exploitation, way below what our reserves warrant."

Yasseen noted, "Nothing shows this more clearly than flaring; we still flare too much. We have only started addressing this issue in earnest a couple of years ago. I was both at Kyoto for COP3 and in Paris for COP21 and I firmly believe that climate change is an existential threat for the countries of the Middle East."



**H.E. Fareed Yasseen, Ambassador
Republic of Iraq**

"Congratulations to NUSACC on your 50th anniversary. You've been a force multiplier for all of us Arab Ambassadors in Washington, DC. And I want to thank you for that."

The Iraqi Ambassador concluded, "This is a multifaceted problem, of course, and there are many significant players here in the United States: Industry players, the States that carried the flag over the last four years, and the new Administration, of course, which has now put climate change front and center. So, Dan, how can we best leverage our positions to achieve progress on this, especially towards working together with the United States?"

Yergin replied, "Mr. Ambassador, you obviously know this issue very well. I draw a distinction in *The New Map* between the position of, say, countries like the Netherlands or Germany vs. developing countries and emerging markets, which face very different constraints, starting with the fact that they typically don't have the economic wherewithal that a Germany does to subsidize and support a rapid energy transition."

He continued, "You mentioned flaring. Related to that is methane and methane capture, a very high agenda item. In addition, what is quite remarkable in the last year is the focus on hydrogen, using the resources of a country like Iraq – or others in the region – to make what's called blue hydrogen or green hydrogen. Hydrogen was on the sidelines four years ago, and it has now become a central policy focus. That's certainly true for the EU, and it is also an opportunity for a country like Iraq."



Egypt's Transition to Renewables

H.E. Motaz Zahran, Egypt's Ambassador to the United States, highlighted the impact of new discoveries on the prospects for peace in the region. "Recent gas discoveries in the Eastern Mediterranean," he said, "offer a dividend of peace, and also an incentive for peace. In parallel to traditional sources of energy, there is an important drive toward renewables."

That shift, he noted, "is resulting in integrated policies, integrated strategies, which tap into the new and the old. In Egypt, we've been targeting renewables for about 20 percent of our power generation by next year, and double that percentage – exceeding 42 percent – by 2035. This gives us the sense that by 2035, Egypt will be in the range of 50/50, of old and new."

**H.E. Motaz Zahran, Ambassador
Republic of Egypt**

"Congratulations on NUSACC's 50th anniversary. The partnership that we have shared has reinforced our messages. We've enjoyed great collaboration over the years at the level of President, at the level of Prime Minister, at the level of different ministers from Egypt, as well as the Governor of the Central Bank. This partnership is something in which we take great pride."



Zahran concluded, "What new opportunities would be created by consolidating the energy businesses that already exist, and how would they effectively make themselves part of an integrated transformation?"

Yergin replied, "In *The New Map*, I write about exactly what you're raising: Development of the "Eastern Med" as a major gas-producing region, how it came about, and its prospects. It was not expected, but it is happening. This is changing both the energy map and the geopolitical map. Cooperation in the region is quite impressive. But it has also exacerbated some geopolitical issues, some of which have to do with the neighbor to the north, Turkey, and its own ambitions in the region."

He continued, "The other thing is not only one word that you use, but actually two: one is 'integrated', and the other is 'mix'. If we're realistic about it, we're going to need an energy mix. It will have more renewables in it, it will engage new technologies that haven't yet gotten to market, and we're still going to rely on natural gas and oil. That balance will change over time, but it's what we will need to support economic growth. And what you describe for Egypt on renewables is an example, one that takes advantage of Egypt's geography."

“We’ve talked a lot about energy transition but, so far, it’s been energy *addition* because conventionals have grown, as have renewables and alternatives,” Yergin said. “For instance, natural gas really is a partner with wind and solar, because of the intermittency that exists in those energy sources, and the need for stable energy.”

Yergin concluded: “It’s got to be a mix. You just can’t go overnight from a world that today is 80 percent dependent on fossil fuels, to something else. You can do it rhetorically, but not in practice. So, directionally, we know where we’re going to go. This will require breakthrough technologies, including carbon capture. Major advances in batteries, which provide the ability to store electricity, will be another key technology frontier.”



**Dr. Khaled Hanafy, Secretary General
Union of Arab Chambers**

“NUSACC is one of the most respected and effective pillars in our network of Arab-Foreign Chambers of Commerce. We are very proud of NUSACC’s achievements in advancing investment and trade relations, fostering a partnership that binds more than 750 million people in the USA and the Arab world.

There are hills yet to climb together to enable our partnership to reach its full potential. If the present is an indication of the future, we are incredibly optimistic about what NUSACC can achieve in the years ahead. The Arab-U.S. business partnership remains strong and resilient and, with support from NUSACC, it will continue to grow for the next 50 years and beyond.”

Impact on Majors and National Oil Companies?

Robin van Puyenbroeck, Executive Director of the World Trade Centers Association, pointed out, “We now see oil majors really changing course in embracing renewable resources. And not just with talk; they are making acquisitions, and they are making very tangible investments. What will be the long-term impact on the national oil companies?”

Yergin replied, “Your question, effectively, is this: What’s the market for oil going to be like in the future? Our research at IHS Markit suggests that significant amounts of oil will be used for decades to come. When is the peak going to come? In *The New Map*, I make the case that it is probably around 2030, or roughly in that period of time.”

He continued, “Oil doesn’t go away, but the situation changes if you have some of the global majors transforming themselves from international oil companies to integrated energy companies. So, if they retreat from developing new oilfields, and exploration dollars are going way down, then that gives the national oil companies more market, particularly those with oil that is low cost. Oil will still need to be produced, not only for transportation, but for so many other uses.”

Innovation, Disruptive Technologies, and Solar

Hamod noted, “The last two sections *The New Map, Road Map and Climate Map*, are focused on innovation, disruptive technologies, and climate change. These seem to go hand in hand. What is the significance of the energy transition, and what might new innovations mean for efforts to address climate change?”

Yergin replied, “Former U.S. Energy Secretary Ernest Moniz and I did a study for The Bill Gates Foundation and the Breakthrough Energy Coalition. We found that there is a technology deficit, whether in battery storage, in carbon capture, in hydrogen utilization, in ways to harness plants, and so on. So, a lot of targets are being set without the technological wherewithal to get there. The direction is clear, but innovation takes time. The lithium ion battery was invented in an Exxon laboratory in 1976, but it was not until 2008 that the first Tesla cars appeared commercially on the market. That’s 32 years. Solar and wind are 50-year-old industries, but it’s only in the last 10 years that they have really become commercially competitive in a big way. I think I would put carbon capture perhaps where solar was in the 1990s or early 2000s, conceptually.”

**H.E. Nejmeddine Lakhel, Ambassador
Republic of Tunisia**

“The Embassy of Tunisia was delighted to have NUSACC with us during the Tunisia - U.S. Joint Economic Commission, JEC, held in Washington, DC. I have just arrived in Washington, but I look forward to building on the solid foundation that has been established by NUSACC and previous Tunisian Ambassadors over many, many years. It will be a privilege to further enhance the cooperation and partnership between Tunisia and the Chamber, as well as between the Embassy and the Chamber. Congratulations on your 50th anniversary!”



A follow-on question was posed by Dino Ramos, COO of the World Trade Center of Greater Philadelphia: “With all the sun in the Middle East, do you anticipate significant growth in solar power in that area of the world?”

Yergin replied: “In one word, yes. In two words, absolutely yes. We’ve seen very inexpensive solar going in across the region, so it’s logical and natural that solar is going to grow. At IHS Markit, we estimate that worldwide solar installations this year will grow by 30 percent. There has certainly been a solar revolution, with the cost of solar coming down tremendously.”

“Coming back to the issue of geopolitics,” Yergin said, “we know that over 80 percent of solar panels are made in China. There is tension around trade, technology, and supply chains, and this looks to become more complicated over the next few years. But no question: Solar grows and it grows a lot, and the region is perfectly primed for that.”



The UAE: Energy Mix and Celebrating the Last Barrel of Oil

Saud Al Nowais, Commercial Counselor at the Embassy of the United Arab Emirates, pointed out that the UAE is home to the International Renewable Energy Agency (IRENA). He said, “One of our initiatives is to develop alternatives in the UAE, but also to work with UN agencies to export that technology to various parts of the world.”

Al Nowais highlighted the energy mix that the UAE has undertaken. He noted, “Our thinking has always been to prepare ourselves for that last barrel of oil that we want to export. And when that happens, we want to make sure that we’re celebrating it. So, we have embarked on an energy mix strategy. Just last year, we began to secure energy and megawatts from nuclear energy. The UAE has built four nuclear power plants that are now supplying electricity, and we also utilize solar power technology, including Concentrated Solar Plants.”



Saud Al Nowais, Commercial Counselor at the Embassy of the United Arab Emirates.

Yergin replied, “You had a wonderful statement about celebrating the last barrel of oil, a message that has been driven home by your Crown Prince, Sheikh Mohammed bin Zayed. Abu Dhabi is an example of a diversified economy. We worked on this analysis with the Abu Dhabi Chamber of Commerce. Twenty years ago, all of Abu Dhabi’s GDP was basically derived from oil. Today, 60 percent of the emirate’s GDP is non-oil. That is an extraordinary achievement. It didn’t happen overnight, but to reach that in 20 years is a considerable achievement. It shows the value of diversification.”

Pivot to Asia: Greater Cooperation or Competition?

Hamod noted, “In your book, Dan, you talk about the pivot to Asia, one that began during the Obama Administration and became more confrontational during the Trump Administration. To a certain extent, that is a reflection of the fact that Russia and China are more deeply involved in the Middle East and North Africa today than ever before. Do you anticipate that energy policies today will lead to greater *competition* or greater *cooperation* among these powers?”



“The answer is both,” Yergin replied. “The U.S. exports oil and gas to China, even as we try to deal with this seemingly intractable problem about the balance of trade. There are two sets of relationships that have a deep impact here, and neither was obvious before. First, there is the very close relationship between Russia and China that we see today, and second, few would have foreseen Russia’s engagement in the Middle East region and what has been described as its strategic relationship with Saudi Arabia. This is critical for OPEC+ because OPEC+ really is based on cooperation between Saudi Arabia and Russia.”

He continued, “It appears that Russia is the only country that can talk to everybody in the Middle East, wherever they are, on whatever side of any issue. For Russia, maintaining a strategic relationship with a country that is one of America’s most important allies is a plus if your strategy is to assert yourself as a great power, as is Vladimir Putin’s strategy. The relationship extends beyond oil now, to more general strategic interests of the two countries.”

Dr. Daniel Yergin

“The energy position of the United States has moved from being an oil importer, representing 60 percent of American oil consumption, to being an oil exporter now. This is the result of the shale revolution, of course, a very disruptive technology that really did disrupt the world oil market to a degree that was not anticipated.”



Rise of the “Big Three”

Hamod asked, “In your book, Dan, you talk about the decline of OPEC and its replacement by the Big Three: Saudi Arabia, Russia, and perhaps most surprising, the United States. How did we get here, and what does this new alignment portend for the future?”

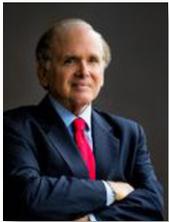
“That has to be another big takeaway from *The New Map*,” stated Yergin. “The energy position of the United States has moved from being an oil importer, representing 60 percent of American oil consumption, to being an oil exporter now. This is the result of the shale revolution, of course, a very disruptive technology that really did disrupt the world oil market to a degree that was not anticipated.”

He continued, “What we saw last April, when prices went into this unbelievable negative territory, is that the United States – led by a certain dealmaker in the White House, and pushed by U.S. senators representing oil states – ended up brokering an end to the oil price war that had broken out. This really demonstrated that world oil today revolves around the Big Three: the United States, Saudi Arabia, and Russia. What each of these countries does in pursuing its own national interests will have a big impact on shaping the world oil market. That is part of *the new map*. And the Biden Administration will see different interests than the Trump Administration did.”

What to Expect from the Biden Administration?

Hamod concluded, “There is a new team in the White House, and they are signaling major changes in energy policy. What impact is this likely to have on Americans and our foreign policy?”

Yergin replied, “One will be, as everybody knows, an effort to restart the nuclear deal with Iran. But with conditions. There is a greater awareness about Iran’s ballistic missile program and its involvement in places like Syria, Iraq, and Yemen. Second, there will be a greater emphasis on democracy and human rights. This is likely to have a significant impact on certain countries in the MENA region. And third, there will be less interest in oil, partly because of energy independence, but also because the focus will shift to renewables and climate change. Those will be some of the big changes with a Biden Administration, I think, and this will be of central importance for countries in the region.”



Dr. Daniel Yergin

“Over its 50 years, NUSACC has played such an important role – and will continue to do so. In addition to advocacy, one of the major things that this organization does is to bring people together in common interest. That role demonstrates how important commerce is, and economic exchange, not only for economic growth, but also for stability in the world, even when there are competing tensions and conflicts.”

Some Reflections on NUSACC’s 50th Anniversary

Throughout the webinar, participants expressed their appreciation to NUSACC for the key role that the Chamber has played over the past five decades. In a heartfelt conclusion to the webinar, Yergin summed up NUSACC’s value-add this way:

David, I didn’t have an opportunity to say this at the beginning. But I thought about NUSACC itself in historical terms when we were preparing for this discussion, about the period when NUSACC was founded, and how the world has changed since then in so many different ways.

Yet, over its 50 years, NUSACC has played such an important role – and will continue to do so. In addition to advocacy, one of the major things that this organization does is to bring people together in common interest. That role demonstrates how important commerce is, and economic exchange, not only for economic growth, but also for stability in the world, even when there are competing tensions and conflicts.

What NUSACC builds up with the bonds of relationships that are developed is not only capital in bank accounts, but also human capital that comes from these relationships. And that is an extraordinarily valuable form of capital in the face of all the ups-and-downs that happen in a changing world. It is the foundation for the future.

So, that’s why I am so very pleased to be part of this anniversary year. It is not only historically significant, but it also sends a vital message about the great importance of economic relations that this Chamber works so hard – and with great success – to foster.

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