

Tidings from the JCCP Middle East Office  
to the Japanese People

## “Life in the Middle East and the Local Oil Situation”

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The Emirate of Abu Dhabi, where the JCCP Middle East Office is located, is extremely important to Japan as a supplier of one-fourth of the total amount of crude oil that Japan imports from abroad. I currently reside in Abu Dhabi City to support JCCP activities in the Middle East, and would like to introduce the oil situation here in relation to people's lifestyles (cars and gasoline).

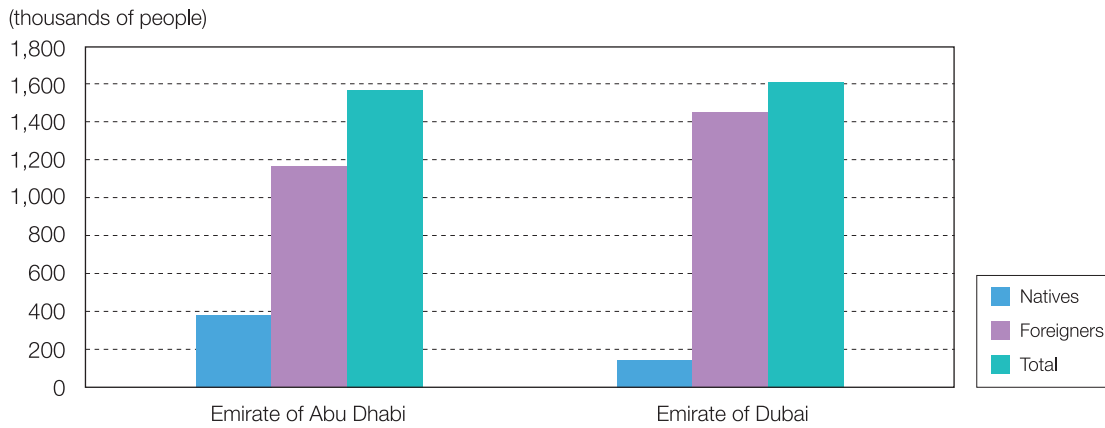
Like other countries in the Middle East, Abu Dhabi has long, hot summers, with high temperatures even during the other seasons. A car is therefore indispensable for commuting to work, going shopping, or for enjoying an outing during the holidays. However, driving a car here in Abu Dhabi differs from driving a car in Japan, and takes some getting used to. First of all, cars drive on the right-hand side of the road, although this is really not a problem as long as I pay careful attention at intersections. What surprised me most was the speed of traffic on general roads. For example, where the speed limit on a general road is 60 km/hr, most people drive at speeds that considerably exceed that limit. In fact, many drive at the kind of speed I would normally expect on a Japanese highway. Moreover, since there are no merge lanes connecting side roads to main roads, it takes skillful timing to directly merge into the speeding traffic.

As shown by the graph on the next page, 75% (1.17 million) of Abu Dhabi's total population of 1.56 million are foreigners, and only 25% (390,000) are Abu Dhabi citizens. Due to the diverse nationalities of people driving in Abu Dhabi, driving manners are certainly diverse as well, with each driver displaying the manners of his own country. I understand that

even greater diversity is seen in Dubai, which has an even larger population of foreigners. Given this situation, driving on Abu Dhabi's crowded roads could wear out one's nerves, unlike driving in Japan where traffic runs smoothly thanks to everyone displaying uniform manners.

Be that as it may, driving in Abu Dhabi can also be fascinating, despite the wear on one's nerves. This is because you always find yourself driving through beautiful landscapes. Abu Dhabi City is an island surrounded on all sides by the sea, so it has many coastal roads. Alongside a beautiful, emerald-green ocean, these roads offer an exhilarating driving experience. In other areas, the streets are impressively lined with date trees. The entire country was originally desert land and had few green trees, but Sheikh Zayed, the previous ruler of Abu Dhabi, had greenified roadside areas using the country's vast wealth earned from oil. Normally, trees cannot grow in arid deserts, but because Abu Dhabi is blessed with abundant sunshine and strong sunlight, trees are able to grow verdant leaves as long as they are amply watered every day. Therefore, vibrant green trees can be seen throughout the year even in Abu Dhabi, in places that receive ample supplies of water.

On the weekends, I often take a drive with my family to enjoy the beautiful scenery of Abu Dhabi. Buying a car also has its own appeal. Because Abu Dhabi is a tax-free economy, no consumption tax, vehicle acquisition tax, or other vehicle-related taxes are imposed on whoever wishes to buy a car, local or foreigner alike. Another convenience to driving a car in Abu Dhabi is the low price of gasoline. Cars here run on 98- and 95-octane gasoline. Since the price of



*Comparison of populations in Abu Dhabi and Dubai (2008)*

98-octane gasoline is as low as 40 yen/liter, we can casually afford to take even long-distance drives. By the way, 90-octane gasoline is also available for taxis. These gasoline types are ADNOC's key products, and are somewhat extravagant, as they are produced using high-quality condensate and Murban crude oil. Japanese refineries import various types of crude oil from oil-producing countries around the world and use them to produce same-quality gasoline, however the difference is that Abu Dhabi, as an oil-producing country, can produce gasoline from fewer varieties of feedstock that are available in the country.

ADNOC Distribution, a petroleum product-marketing company under ADNOC, exclusively operates all service stations in Abu Dhabi and sells gasoline and diesel fuel. Note that in Dubai and the other emirates of UAE, petroleum-marketing companies such as EPPCO, EMARAT, and ENOC also provide their services in addition to ADNOC Distribution.

Incidentally, ADNOC Distribution operates more than 150 modern service stations throughout UAE, which is roughly the same size as Hokkaido, with the Emirate of Abu Dhabi claiming 87% of its total land area (although Abu Dhabi City occupies only around 0.15% of the entire emirate and the rest is mostly desert). Yet, this is not to say that you can find a service station most anywhere, as in the urban regions of Japan. When taking a long drive, you need to fill your tank at any service station you happen to pass by well before you run low on gas, or else you may run out of gas in the middle of the desert and run the risk of dehydration. ADNOC Distribution has

plans, however, to construct more service stations in response to the growing demand for gasoline and diesel fuel accompanying an influx of people attracted to Abu Dhabi's robust economy, which is strongly supported by its earnings from crude oil sales even in the wake of the global financial crisis.

Although oil consumption may be increasing in Abu Dhabi, the emirate has abundant reserves of crude oil feedstock such as Murban, Upper Zakum, and Umm Shaif, which are predicted to last about another 100 years at today's production rate. Given its current standing, Abu Dhabi will undoubtedly continue to be one of Japan's most important trading partners. At the same time, I am certain that JCCP's technical cooperation in such areas as the upgrading of refining technology and environmental measures will also continue to benefit Abu Dhabi into the future.



*Mr. Shoichiro Yagi, General Manager of the JCCP Middle East Office (in front of a modern service station on the outskirts of Abu Dhabi City)*