Energy Tidbits

Stalling China Recovery, Scheduled Domestic Flights in April Only +3% to 98,517 Flights, Not Prior Scheduled 119,180 Flights

Produced by: Dan Tsubouchi

April 9, 2023

Dan Tsubouchi
Chief Market Strategist
dtsubouchi@safgroup.ca

Ryan Dunfield
CEO
rdunfield@safgroup.ca

Aaron Bunting
COO, CFO
abunting@safgroup.ca

Ryan Haughn
Managing Director
rhaughn@safgroup.ca

AMERICAN GAS ASSOCIATION
Interoffice Memorandum

TO: Distribution   Date: **April 3, 2023**

FROM: Paul Pierson

SUBJECT: Weekly Heating Degree Day Data

HEATING DEGREE DAY SUMMARY

For the week ending April 1, the weather in the United States was 2.2 percent warmer than last year and 10.7 percent colder than normal. All regions experienced warmer temperatures than last year except the W.N. Central, W.S. Central, Mountain, and Pacific regions. All regions experienced warmer temperatures than normal except the E.N. Central, W.N. Central, Mountain, and Pacific regions. For the month of Match, the weather in the United States was 15.1 percent colder than last year and 5.5 percent colder than normal.

WEEKLY COMPARISON

Week Ending	2022/ 2023	2021/ 2022	Normal	% Change: 22/23 from 21/22		% Change: 22/23 from Normal	
10/01/22	41	20	36	105.0	Colder	13.9	Colder
10/08/22	50	15	48	233.3	Colder	4.2	Colder
10/15/22	56	30	61	86.7	Colder	8.2	Warmer
10/22/22	89	58	76	53.4	Colder	17.1	Colder
10/29/22	75	77	91	2.6	Warmer	17.6	Warmer
11/05/22	72	111	106	35.1	Warmer	32.1	Warmer
11/12/22	97	95	122	2.1	Colder	20.5	Warmer
11/19/22	194	127	139	52.8	Colder	39.6	Colder
11/26/22	161	152	155	5.9	Colder	3.9	Colder
12/03/22	165	137	170	20.4	Colder	2.9	Warmer
12/10/22	163	161	185	1.2	Colder	11.9	Warmer
12/17/22	188	139	197	35.3	Colder	4.6	Warmer
12/24/22	254	183	209	38.8	Colder	21.5	Colder
12/31/22	200	156	218	28.2	Colder	8.3	Warmer
01/07/23	152	214	223	29.0	Warmer	31.8	Warmer
01/14/23	179	208	226	13.9	Warmer	20.8	Warmer
01/21/23	178	229	225	22.3	Warmer	20.9	Warmer
01/28/23	202	248	222	18.5	Warmer	9.0	Warmer
02/04/23	240	231	217	3.9	Colder	10.6	Colder
02/11/23	169	194	210	12.9	Warmer	19.5	Warmer
02/18/23	168	193	199	13.0	Warmer	15.6	Warmer
02/25/23	171	198	187	13.6	Warmer	8.6	Warmer
03/04/23	157	167	174	6.0	Warmer	9.8	Warmer
03/11/23	155	159	161	2.5	Warmer	3.7	Warmer
03/18/23	172	131	149	31.3	Colder	15.4	Colder
03/25/23	150	102	135	47.1	Colder	11.1	Colder
04/01/23	135	138	122	2.2	Warmer	10.7	Colder
Cumulative	**4033**	**3873**	**4263**	**4.1**	**Colder**	**5.4**	**Warmer**

MONTHLY COMPARISON

Month Ending	2022/ 2023	2021/ 2022	Normal	% Change: 22/23 from 21/22		% Change: 22/23 from Normal	
September	66	42	87	57.1	Colder	24.1	Warmer
October	299	205	310	45.9	Colder	3.5	Warmer
November	588	677	676	13.1	Warmer	13.0	Warmer
December	883	688	884	28.3	Colder	0.1	Warmer
January	811	1003	990	19.1	Warmer	18.1	Warmer
February	717	796	793	9.9	Warmer	9.6	Warmer
March	685	595	649	15.1	Colder	5.5	Colder

HEATING DEGREE DAYS BY CENSUS REGION FOR THE WEEK ENDING April 1, 2023

Region	2022/ 2023	2021/ 2022	Normal	% Change: 22/23 from 21/22		% Change: 22/23 from Normal	
New England	171	185	172	7.6	Warmer	0.6	Warmer
Middle Atlantic	145	189	156	23.3	Warmer	7.1	Warmer
E N Central	170	205	162	17.1	Warmer	4.9	Colder
W N Central	197	195	158	1.0	Colder	24.7	Colder
South Atlantic	65	101	85	35.6	Warmer	23.5	Warmer
E S Central	60	90	80	33.3	Warmer	25.0	Warmer
W S Central	37	34	44	8.8	Colder	15.9	Warmer
Mountain	193	107	139	80.4	Colder	38.8	Colder
Pacific	132	72	80	83.3	Colder	65.0	Colder
United States	**135**	**138**	**122**	**2.2**	**Warmer**	**10.7**	**Colder**

CUMULATIVE HEATING DEGREE DAYS BY CENSUS REGION

Region	2022/ 2023	2021/ 2022	Normal	% Change: 22/23 from 21/22		% Change: 22/23 from Normal	
New England	4695	4929	5393	4.7	Warmer	12.9	Warmer
Middle Atlantic	4423	4550	5077	2.8	Warmer	12.9	Warmer
E N Central	5088	5128	5617	0.8	Warmer	9.4	Warmer
W N Central	5844	5535	5909	5.6	Colder	1.1	Warmer
South Atlantic	2874	2849	3317	0.9	Colder	13.4	Warmer
E S Central	2862	2912	3341	1.7	Warmer	14.3	Warmer
W S Central	2059	1943	2258	6.0	Colder	8.8	Warmer
Mountain	5142	4418	4736	16.4	Colder	8.6	Colder
Pacific	2860	2259	2417	26.6	Colder	18.3	Colder
United States	**4033**	**3873**	**4263**	**4.1**	**Colder**	**5.4**	**Warmer**

The regional degree day statistics stated in this memo are weighted by gas home heating customers instead of by population.
A heating degree day is a measure of the coldness of the weather experienced, based on the extent to which the daily mean temperature falls below 65 degrees Fahrenheit. A daily mean temperature represents the sum of the high and low reading, divided by two.
Source: U.S. Department of Commerce, National Oceanic and Atmospheric Administration

https://www.chinadaily.com.cn/a/202303/28/WS6422f68da31057c47ebb70c7.html

CNOOC completes first yuan-settled LNG trade

By Zheng Xin | chinadaily.com.cn | Updated: 2023-03-28 22:15

LIU CHANGSONG/FOR CHINA DAILY

China National Offshore Oil Corporation and France's TotalEnergies have completed China's first yuan-settled liquefied natural gas trade through the Shanghai Petroleum and Natural Gas Exchange, the exchange announced on Tuesday.

Approximately 65,000 tons of LNG imported from the United Arab Emirates changed hands in the trade, showcasing a new channel for international resource traders to participate in the Chinese market.

According to Guo Xu, chairman of the exchange, the first international LNG transaction settled in yuan promotes multi-currency pricing, settlement, and cross-border payment.

As one of the major buyers in the global LNG market, China's infrastructure scale has been expanding and the number of participants in international trade is also increasing, which has put higher demands on international trade services, he said.

The exchange will actively connect with international resource traders and strengthen the financial infrastructure construction of cross-border yuan settlement business while enhancing digital trading capabilities to provide more convenient channels for domestic and international oil and gas resources, he said.

CNOOC, the largest offshore oil and gas field operator in China, is committed to innovating international resource pricing and settlement models, CNOOC deputy general manager Yu Jin said.

The promotion of international resource procurement based on yuan settlement can promote the globalization of energy trading and build a more diversified ecology, he said.

The scale of China's oil and gas imports has been growing in recent years. In 2022, China imported more than 500 million tons of crude oil and more than 100 million tons of natural gas, including 63.44 million tons of LNG, with sources becoming increasingly diversified.

https://www.wsj.com/articles/exxonmobil-eyes-on-the-permian-prize-8464fe97?mod=hp_lead_pos11

Exxon Mobil: Eyes on the Permian Prize

Possible Pioneer Natural Resources deal is a sign of the times, good and bad, for big oil

Exxon could be looking to make a major deal soon.PHOTO: JOE RAEDLE/GETTY IMAGES

By Jinjoo Lee

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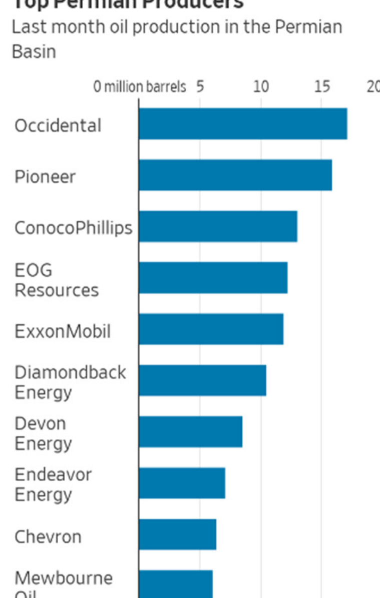
April 8, 2023 9:24 am ET

Texas-based oil major Exxon Mobil XOM -1.66%decrease; red down pointing triangle was once known for exploring for oil in all sorts of exotic places, but right now its own backyard is looking like the best option.

The oil major has reportedly held preliminary talks with U.S. producer Pioneer Natural Resources PXD -1.06%decrease; red down pointing triangle about a possible acquisition, according to a Wall Street Journal report Friday. An acquisition of Pioneer, which has a market capitalization of about $49 billion, would be Exxon's largest deal since its merger with Mobil in 1999. It is clear that Exxon is itching to put its cash to some use: The company is also said to have approached Denbury, an oil producer with an extensive carbon-dioxide-gathering infrastructure, according to a Bloomberg report late last year.



Pioneer, which operates in the Midland Basin of the prolific Permian, is the second-largest producer in that region by operated oil production based on figures last month, according to Enverus. Combined, Exxon and Pioneer produced roughly 1.2 million oil-equivalent barrels a day from the Permian last year. A tie-up would create the largest producer in that basin, well surpassing current top producer Occidental Petroleum.

Of course, its reported interest in Pioneer could be a case of fear of missing out. Notably, Occidental came to occupy that top Permian spot after outbidding Chevron to acquire Anadarko Petroleum back in 2019. While that purchase was a risky and expensive one (it saddled Occidental with massive debt right before oil prices plunged in 2020), the acquisition started paying off handsomely in the past two years. Last year, Occidental's return on invested capital was 26.2%, exceeding Exxon's. Pioneer's returns were even higher than Occidental's. Good-quality acreage is especially important for U.S. producers; more mature U.S. shale plays—including parts of the Permian—have started reaching a production plateau, a point that many U.S. producers stressed at an industry conference earlier this year.

Whatever Exxon ends up buying, it will have to remember the lessons learned from its expensive, ill-timed $31 billion acquisition of natural-gas driller XTO Energy. When Exxon announced its plan to acquire the company in December 2009, natural-gas prices averaged more than $5 per million British thermal units and Exxon was late to the shale oil-and-gas party. Natural-gas prices subsequently plunged and didn't recover above that level until 2021. Exxon finally said it would take a write-down on those natural-gas assets in 2020—to the tune of $17 billion to $20 billion.

At least this time there is something of a cushion against a rapid drop in oil prices: U.S. oil producers have shown remarkable financial restraint in how much to drill, and OPEC+ appears determined to retain its roughly $80-a-barrel floor on oil prices. And while there is no price tag on the potential deal, Pioneer's shares don't seem overly expensive: Its enterprise value as a multiple of forward earnings before interest, taxes, depreciation and amortization is 5.24 times, 13.5% below its five-year average and 12% cheaper than Exxon by the same measure.

However the deal talks shake out, Exxon's kicking the tires could also indicate that it is running out of blockbuster organic growth ideas. Guyana has proven to be a prolific find, but other explorations haven't been as successful. Notably, the oil major ended a drilling campaign offshore Brazil after failing to find commercially viable amounts of oil, as The Wall Street Journal reported. Last year, Russia pushed Exxon out of a large oil-and-gas project in the country. Investors have also been slower to reward major oil companies for large, risky projects.

Before the shale boom, "peak oil" had a different meaning–not the world weaning itself off the fuel but failing to replace aging fields quickly enough. If Exxon and other majors' growth starts looking more dependent on acquisitions rather than organic growth, that term might come back into vogue.

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Write to Jinjoo Lee at jinjoo.lee@wsj.com

https://www.opec.org/opec_web/en/press_room/7120.htm

48th Meeting of the Joint Ministerial Monitoring Committee

No 02/2023
Vienna, Austria
03 Apr 2023

The 48th Meeting of the Joint Ministerial Monitoring Committee (JMMC) took place via videoconference on Monday, 03 April 2023.

The Committee reviewed the crude oil production data for the months of January and February 2023 and noted the overall conformity for participating OPEC and non-OPEC countries of the Declaration of Cooperation (DoC).

The Members of the JMMC reaffirmed their commitment to the DoC which extends to the end of 2023 as decided at the 33rd OPEC and non-OPEC Ministerial Meeting (ONOMM) on 5th of October 2022, and urged all participating countries to achieve full conformity and adhere to the compensation mechanism.

The Meeting noted the following voluntarily production adjustment announced on 2 April 2023 by Saudi Arabia (500 thousand b/d); Iraq (211 thousand b/d); United Arab Emirates (144 thousand b/d); Kuwait (128 thousand b/d); Kazakhstan (78 thousand b/d); Algeria (48 thousand b/d); Oman (40 thousand b/d); and Gabon (8 thousand b/d) starting May until the end of 2023. These will be in addition to the production adjustments decided at the 33rd OPEC and non-OPEC Ministerial Meeting,

The above will be in addition to the announced voluntary adjustment by the Russian Federation of 500 thousand barrels per day until the end of 2023, which will be from the average production levels as assessed by the secondary sources for the month of February 2023.

Accordingly, this will bring the total additional voluntary production adjustments by the above-mentioned countries to 1.66 million b/d.

The Meeting noted that this is a precautionary measure aimed at supporting the stability of the oil market.

The Committee thanked the OPEC Secretariat for their contribution to the meeting.

The next meeting of the JMMC (49th) is scheduled for 4th of June 2023.

https://www.ft.com/content/3cc7ced1-70db-4854-bd61-d9c92a9c7710?shareType=nongift

Oil price surges after Opec+ nations make surprise output cut

Saudi-led reduction of more than 1mn barrels per day puts Riyadh on collision course with US

The Saudi-led initiative is unusual in being announced outside a formal Opec+ meeting © Simon Dawson/Bloomberg

Derek Brower in New York and David Sheppard and Tom Wilson in London APRIL 2 2023

Crude prices surged after Saudi Arabia and other members of the Opec+ group announced surprise oil production cuts of more than 1mn barrels a day on Sunday, putting Riyadh on a collision course with the US.

Oil prices leapt by 8 per cent when trading opened in Asia on Monday morning following news of the cut, with international benchmark Brent trading at over $86 a barrel and West Texas Intermediate, the US marker, rising to almost $81.

Saudi Arabia will implement a "voluntary cut" of 500,000 b/d, or just under 5 per cent of its output, in "co-ordination with some other Opec and non-Opec countries", it said on Sunday. The kingdom is attempting to boost prices amid fears of weaker demand.

Russia, a member of Opec+, said it would extend its existing 500,000 b/d production cut until the end of the year. Moscow's reduction was first announced in March in retaliation for western countries' moves to impose a price cap on its seaborne oil exports.

The Saudi-led initiative is unusual as it has been announced outside a formal Opec+ meeting, suggesting an element of urgency by the members taking part in the cuts.

The cuts follow a sharp fall in oil prices last month after the collapse of the US's Silicon Valley Bank and the forced takeover of Credit Suisse by UBS, which sparked fears of contagion in global financial markets and a significant drop-off in demand for crude.

"Opec+ have made a pre-emptive cut to get ahead of any possible demand weakness from the banking crisis that has emerged," said Amrita Sen, director of research at Energy Aspects.

The surprise cuts risk reigniting disputes between Riyadh and the US, which last year pushed for the kingdom to pump more oil in a bid to tame rampant inflation amid a surge in energy costs.

The White House in October accused Saudi Arabia of effectively siding with Russia, despite Moscow's full-scale invasion of Ukraine and its attempt to create an energy crisis by slashing gas supplies to Europe, when Opec+ last announced a formal production cut of 2mn b/d.

People familiar with Saudi Arabia's thinking say Riyadh was irritated last week that the Biden administration publicly ruled out new crude purchases to replenish a strategic stockpile that had been drained last year as the White House battled to tame inflation.

Energy secretary Jennifer Granholm's statement that it could take "years" to refill the reserve sent oil prices briefly lower. The White House had previously offered reassurance to Saudi Arabia that it would step in to make purchases for its strategic reserve if prices fell.

"We don't think cuts are advisable at this moment given market uncertainty — and we've made that clear," said a spokesperson for the National Security Council on Sunday. "[But] we will continue to work with all producers to ensure energy markets support economic growth and lower prices for American consumers."

Helima Croft, head of commodity strategy at RBC Capital Markets, said Saudi Arabia was staking out an economic strategy independent of the US, after a deterioration in relations between Riyadh and Washington during the Biden administration.

“It’s a Saudi-first policy. They’re making new friends, as we saw with China,” Croft said, referring to a recent Beijing-brokered diplomatic deal between Saudi Arabia and Iran. The kingdom was sending a message to the US that “it’s no longer a unipolar world”.

The voluntary cuts from Opec+ members will begin in May and last until the end of 2023, the Saudi statement said. Iraq will reduce crude production by 211,000 b/d, the United Arab Emirates by 144,000 b/d, Kuwait by 128,000 b/d, Kazakhstan by 78,000 b/d, Algeria by 48,000 b/d and Oman by 40,000 b/d, according to statements from their respective governments.

Brent, the crude benchmark, fell to a low near $70 a barrel late last month but had stabilised in the past week to recover to just below $80. Brent has traded in a relatively narrow band between $75 and $90 a barrel for much of the past six months.

Despite last month’s sell-off many traders were predicting higher prices later this year when supplies are expected to fall short of demand as China’s economy fully reopens from its Covid-related restrictions.

Saudi Arabia’s energy minister, Prince Abdulaziz bin Salman, the half- brother of prime minister and crown prince Mohammed bin Salman, has argued the world is underinvesting in oil supplies. The kingdom is reliant on oil revenues to fund the Prince Mohammed’s ambitious economic reform programme.

Additional reporting by Felicia Schwartz in Washington

https://www.spa.gov.sa/viewfullstory.php?lang=en&newsid=2441661#2441661

Joint Statement Issued Following Discussions by Saudi, Iranian Foreign Ministers in Beijing

Thursday 1444/9/15 - 2023/04/06

Beijing, April 6, 2023, SPA -- A joint statement was issued following the discussions held by the Saudi and Iranian foreign ministers in Beijing. The statement reads as follows:

In light of the joint trilateral statement by the Kingdom of Saudi Arabia, the Islamic Republic of Iran and the People's Republic of China, issued on March 10, 2023, on resuming relations between the Kingdom of Saudi Arabia and the Islamic Republic of Iran within the framework of coordination between the two countries on the steps needed to resume diplomatic and consular work between them, Beijing hosted discussions between Minister of Foreign Affairs of the Kingdom of Saudi Arabia Prince Faisal bin Farhan Al Saud and Minister of Foreign Affairs of the Islamic Republic of Iran Hossein Amir Abdollahian, on April 6, 2023.

During the talks, the two sides stressed the importance of activating and pursuing the implementation of the Beijing Agreement, thus enhancing mutual trust and expanding cooperation, and contributing to realising security, stability and prosperity in the region.

The two sides affirmed their keenness to explore ways of boosting bilateral relations and activating the security cooperation agreement between the two countries, signed on April 17, 2001, as well as the general agreement on cooperation in the fields of economy, trade, investment, technology, science, culture, sports and youth, signed on May 27, 1998.

The two countries agreed to reopen their diplomatic missions within the agreed period, proceed with the necessary measures to open the embassies of the two countries in Riyadh and Tehran, and their consulates general in Jeddah and Mashhad, and continue coordination between the two sides' technical teams to explore ways of boosting cooperation, including resuming flights, carrying out reciprocal visits of official delegations and the private sector, and facilitating the issuance of visas for nationals of the two countries, including for performing Umrah.

The two sides also expressed hope that they will hold more consultative meetings and explore means of cooperation, with positive outcomes, considering the natural resources, economic potential, and many opportunities their countries have, which can help both gain mutual benefit. They also said they were ready to make every possible effort to overcome any obstacles that may hinder their cooperation.

Both sides agreed to boost cooperation in order to support stability and security in the region, to mutual benefit.

At the conclusion of the meeting, the two sides expressed their thanks and appreciation to China for hosting this meeting. They also thanked the Swiss government for its efforts and care for the Saudi-Iranian interests.

Prince Faisal bin Farhan Al Saud, Minister of Foreign Affairs, renewed the invitation to Foreign Minister of Iran Hossein Amir Abdollahian to visit the Kingdom and hold a meeting in Riyadh.

The Iranian minister welcomed the invitation and, in turn, invited Prince Faisal bin Farhan Al Saud to visit Iran and hold a meeting in Tehran, and the prince welcomed it.

--SPA

16:44 LOCAL TIME 13:44 GMT

0019

https://www.presstv.ir/Detail/2023/04/06/701069/Iran,-Saudi-Arabia-formally-restore-diplomatic-relations--Foreign-Ministry-spokesman

Iran, Saudi Arabia formally restore diplomatic relations:

Iranian Foreign Ministry spokesman

Thursday, 06 April 2023 1:44 PM **[Last Update: Thursday, 06 April 2023 6:09 PM]**

Iranian Foreign Minister Hossein Amir-Abdollahian (L) and his Saudi counterpart Prince Faisal bin Farhan (R) shake hands during their meeting in Beijing, China, on April 6, 2023, as Chinese Foreign Minister Qin Gang stands in the center. (Photo by Iran's Foreign Ministry)

The spokesman for the Iranian Foreign Ministry has announced the official restoration of diplomatic relations between Iran and Saudi Arabia after top diplomats from the two countries held a landmark meeting in the Chinese capital city of Beijing and issued a joint statement.

“I am delighted to announce the first official meeting between the Iranian and Saudi foreign ministers in Beijing following the [March 10] agreement between the two countries to resume formal ties, and three rounds of telephone conversations between the top diplomats,” Nasser Kan’ani told reporters in Beijing on Thursday.

He hailed the “very good” negotiations held between Iranian Foreign Minister Hossein Amir-Abdollahian and his Saudi counterpart Prince Faisal bin Farhan in a “totally positive and constructive atmosphere” in the Chinese capital.

As a result of the foreign ministerial meeting, the formal relations between Iran and Saudi Arabia have been officially re-established as of today, Kan’ani noted.

Iran, Saudi FMs meet in China for first time in seven years

The Iranian and Saudi foreign ministers hold a meeting for the first time after seven years of severed relations.

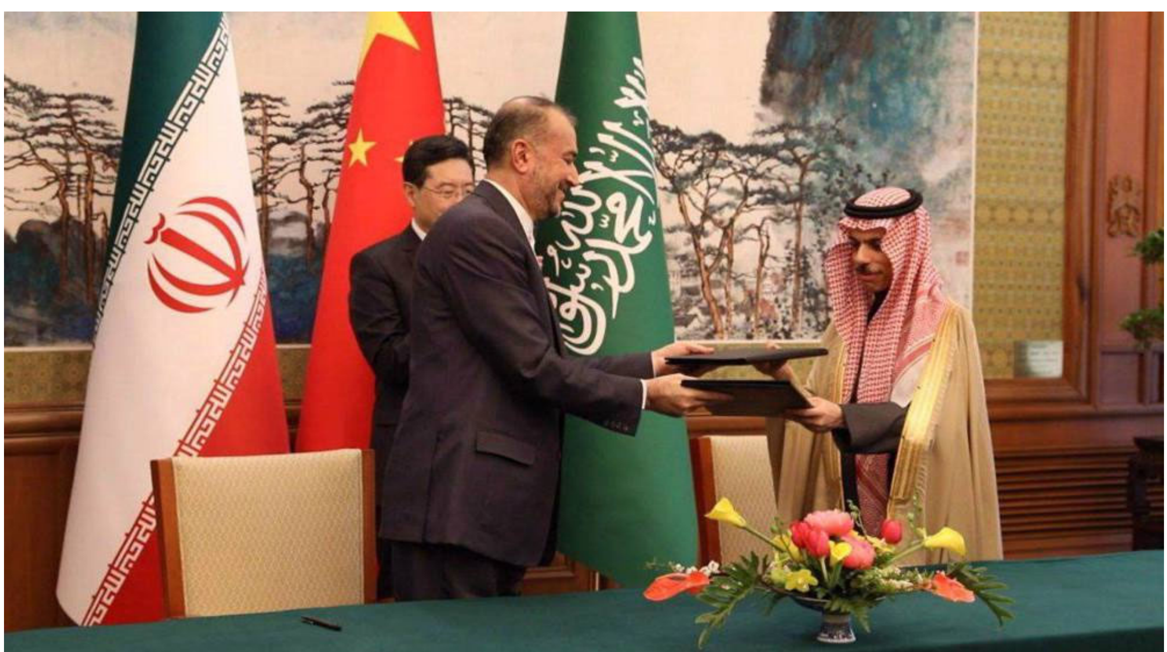
The official highlighted that the two Muslim countries will exchange technical delegations within the next few days to make preparations for the reopening of embassies in Tehran and Riyadh as well as their respective consulates.

Earlier on Thursday, Amir-Abdollahian and his Saudi counterpart signed a joint statement after holding talks in Beijing.

The two top diplomats have stressed the need to implement the Chinese-mediated agreement on the restoration of diplomatic relations between Iran and Saudi Arabia in order to build mutual trust, pave the way for enhanced cooperation and contribute to regional security, stability and prosperity.

The joint statement has also emphasized the necessity to carry out a security cooperation agreement that Tehran and Riyadh had signed in April 2001, and another agreement on cooperation in the fields of economy, trade, investment, technology, science, culture, sports and youth signed in May 1998.

According to the statement, Iran and Saudi Arabia will take the necessary measures to reopen the embassies in Tehran and Riyadh and their consulate generals in Mashhad and Jeddah, and to make arrangements for the resumption of direct flights, reciprocal visits by the official and private sector delegations, and facilitate the visa regime for the citizens of the two nations, including visa for the Hajj and Umrah pilgrimages.



"The two sides have agreed to promote cooperation in any field that could ensure regional security and stability and fulfill the interests of its nations and countries," the statement read.

The top Iranian and Saudi diplomats have also expressed gratitude to China for hosting their meeting and to Switzerland for representing the interests of Iran and Saudi Arabia when their ties were severed over the past seven years.

After several days of intensive negotiations hosted by China, Iran and Saudi Arabia clinched a deal on March 10 to restore diplomatic relations and reopen embassies and missions within two months after seven years of estrangement.

To the dismay of the US and Israel, the detente has the potential to ease tensions across a region characterized by turbulence for decades.

https://www.reuters.com/world/middle-east/saudi-led-coalition-lifts-more-restrictions-yemens-imports-2023-04-07/?taid=643027c6eea76d000145a250&utm_campaign=trueAnthem:+Trending+Content&utm_medium=trueAnthem&utm_source=twitter

3 minute readApril 7, 20239:34 AM MDTLast Updated an hour ago

Exclusive: Saudi delegation to hold ceasefire talks with Yemen's Houthis in Sanaa -sources

By Aziz El Yaakoubi
and Mohammed Alghobari

12

RIYADH/ADEN, April 7 (Reuters) - Saudi and Omani envoys are planning to visit Yemen's capital Sanaa next week to negotiate a permanent ceasefire deal with Iran-aligned Houthi officials and end an eight-year-old conflict there, two people involved in the talks said.

The move signals that regional rifts are easing after rivals Saudi Arabia and Iran agreed to restore relations last month following years of hostility and backing opposite sides in Middle Eastern conflicts, including Yemen.

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A visit by Saudi officials to Sanaa is an indication of progress in Oman-mediated talks between the kingdom and the Iran-aligned Houthi movement, which run in parallel to United Nations peace efforts.

Oman, which shares borders with Yemen, has been trying for years to bridge differences between Yemen's warring parties, and more broadly between Iran and Saudi Arabia and the United States. A permanent ceasefire in Yemen would mark a milestone in stabilising the Middle East.

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If an agreement is reached, the parties could announce it before Islam's Eid holiday starting April 20, the sources said.

The Saudi and Yemeni governments did not immediately respond to requests for a comment.

The Houthis, who ousted the internationally recognised government from Sanaa in late 2014, de facto control north Yemen and say they are rising up against a corrupt system and foreign aggression.

They have been fighting against a Saudi-led military alliance since 2015 in a conflict that has killed tens of thousands and left 80% of Yemen's population dependent on humanitarian aid.

FERTILISERS AND BATTERIES

The discussions are focused on a full reopening of Yemen's ports and airports, payment of wages for public servants, a rebuilding process and a political transition, the sources said.

Saudi Arabia restarted its direct talks with the Houthi group last summer after both sides failed to renew a United Nations-brokered truce deal.

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The U.N. hopes to resume a peaceful political process which would lead to a transitional unity government, if a ceasefire agreement is reached.

U.N. Special Envoy Hans Grundberg met with senior Omani and Houthi officials in Muscat this week and discussed ways to make progress towards an inclusive Yemeni-led political process, his office said.

Following years of a bitter rivalry and armed conflicts between Saudi Arabia and Iran, their biggest trade partner China recently stepped in to work with both sides and improve relations.

Beijing, concerned with stability in a region that covers most of its crude oil needs, recently brokered a deal between Riyadh and Tehran to restore diplomatic relations.

In an additional sign of progress in Yemen's peace efforts, the Saudi-led coalition lifted eight-year-old restrictions on imports headed for Yemen's southern ports, allowing commercial ships to dock directly there, including Aden, the Saudi-backed government said.

This follows the easing of restrictions in February on commercial goods entering the Houthi-held western port of Hodeidah, the country's main seaport.

Abu Bakr Abeed, deputy head of Yemen's Chambers of Commerce, told Reuters ships would not have to stop at the Saudi Red Sea port of Jeddah for security checks for the first time since the Saudi-led coalition intervened in Yemen in 2015.

Abeed said more than 500 types of goods would be allowed back in Yemen through southern ports, including fertilisers and batteries, after they were removed from a list of banned products.

The Saudi-led coalition had since 2015 imposed severe restrictions on flow of goods into import-reliant Yemen, where war has devastated the economy, contributing to what the United Nations has called the world's worst humanitarian crisis.

Reporting by Aziz El Yaakoubi in Riyadh and Mohammed Alghobari in Aden; Additional reporting by Reyam Mokhashef in Aden; Writing by Aziz El Yaakoubi, Editing by Tomasz Janowski and Angus MacSwan

Our Standar

https://www.arabnews.com/node/2074216/saudi-arabia

Frankly Speaking: Saudis feel let down by America, says Prince Turki Al-Faisal

Updated 13 sec ago   ARAB NEWS May 01, 202223:35

- Former Saudi intelligence chief and ambassador blames President Biden's policies for US energy shortage, says Saudis want only mediator role in Russia-Ukraine conflict
- He says Saudi-Turkish relationship "should be one of the best in terms of benefit for both countries," be it in trade or cross-border investments
- He says sanctions should be levied on Israel because of its record of invasions of Arab countries as "aggression is aggression"

JEDDAH: Saudis feel let down at a time when they believe the US and Saudi Arabia should be together facing threats to the stability and security of the Gulf region, Prince Turki Al-Faisal, Saudi Arabia's former intelligence chief and former ambassador to both London and Washington D.C., told Arab News.

He identified the threats specifically as Iran's influence in Yemen and its use of the Houthis as a tool "not only to destabilize Saudi Arabia, but also affect the security and stability of the international sea lanes" along the Red Sea, the Gulf and the Arabian Sea.

"The fact that President Biden delisted the Houthis from the terrorist list has emboldened them and made them even more aggressive in their attacks on Saudi Arabia, as well as on the UAE," Prince Turki told Katie Jensen, the new host of Arab News' "Frankly Speaking." He was alluding to the Feb. 12, 2021, revocation by the new Democratic administration of the Iran-aligned militia's designation as a Foreign Terrorist Organization.

"Frankly Speaking" features interviews with leading policymakers and business leaders, diving deep into the biggest news-making headlines across the Middle East and around the world. During his appearance on the video show, Prince Turki offered his views on US-Saudi relations, the war between Russia and Ukraine, and the ever-shifting dynamics of Middle Eastern geopolitics at a time of rising oil prices and diplomatic tensions.

"We have always considered our relationship with the US as being strategic," he said on the question of whether many Saudis feel they have been betrayed by one of their closest allies.

"We've had our ups and downs over the years and perhaps, at this time, it's one of the downs, particularly since the president of the US, in his election campaign, said that he will make Saudi Arabia a pariah. And, of course, he went on to practice what he preached: First of all, by stopping the joint operations that America had with the Kingdom in meeting the challenge of the Houthi-led rebellion in Yemen against the Yemeni people. And, second, among other similar actions, by not meeting with (Saudi Arabia's crown prince) and publicly declaring that he would not meet with the crown prince, and, at one stage, withdrawing anti-aircraft missile batteries from the Kingdom when we were facing an increase in attacks by the Houthis using Iranian equipment like missiles and drones."

Pointing out that Saudi Arabia "all the time … has been calling for a peaceful solution to the Yemen conflict," Prince Turki said: "Unfortunately the Houthis have always either not responded to that call or simply ignored it or opposed it. And, as we see now, there is a supposed ceasefire established by the UN, but the Houthis continue to infringe on that ceasefire and to take advantage of the ceasefire to reposition their forces and replenish them."

"So, basically this is how the situation has come to this stage," he said, referring to the current state of US-Saudi relations. "I hope that we'll get over it like we got over so many previous downturns in the relationship."

On the face of it, Washington seems to be quite eager to keep its communication channels with Riyadh open with phone calls and visits by officials but, according to Prince Turki, "it's not just one thing."

He said: “It’s the general tone of the atmosphere and America, for example, has been declaring, or American officials have been declaring, that they are in support of Saudi Arabia and will help Saudi Arabia defend itself against outside aggression and so on. We are grateful for those statements, but we need to see more in terms of the relationship between the two leaderships.”

He shrugged off the claim that Saudi Arabia has not budged on the issue of the oil problems that the US is facing, countering it with the argument that Washington itself “is the reason for the state that it is in because of its energy policy.”

“President Biden made it a policy of the US government to cut all links to what is called the oil and gas industry. He curtailed oil production and gas production in the US (when) it had been, in the last few years, the biggest producer of these two energy sources,” Prince Turki said.

This curtailment of US energy production, he says, helped lift the price of oil, together with the OPEC+ agreement established after the COVID-19 difficulty, which “was an agreement to bring down production in order to stabilize the prices, for the benefit of everybody and stability of oil prices.”

Prince Turki was emphatic that Saudi Arabia does not want to be “an instrument or a reason for instability in oil prices,” indicating that actions such as the embargo of 1973 were a thing of the past.

“That is why the Kingdom and the other OPEC members and the OPEC+ members are sticking to the production quotas that they have assigned themselves. I have read that the recent decision by OPEC+ to incrementally increase oil production while the agreement is effective, is in response to the difficulties that people have in the energy sector. Another factor that adds to all this is the security issue, the high rates of insurance that have come about as a result of the war in Ukraine, plus the European and US curtailment of, and sanctions on, the Russian oil industry. All of these things have added to the increase in oil prices.”

In this connection, Prince Turki expressed strong displeasure with comments made by Hillary Clinton, the former US secretary of state, on NBC’s “Meet the Press” program in support of a “carrot-and-stick” approach to force Saudi Arabia to increase its share of oil production in order to reduce prices during what she called an “existential crisis.”

Reiterating that he could not speak for all Saudis, Prince Turki said: “We are not schoolchildren to be treated with a carrot and stick. We are a sovereign country, and when we are dealt with fairly and squarely, we respond likewise. It is unfortunate that such statements are made by politicians wherever they may be. I hope that the relationship of the Kingdom and the US will not hinge around or be built upon that principle.”

Likewise, Prince Turki brushed away the charge that Riyadh has chosen to side with Moscow in the Ukraine conflict, noting that “the Kingdom has publicly declared and voted to condemn the aggression against Ukraine that was passed by the UN General Assembly.”

Pointing out that Saudi Arabia offered to mediate between Russia and Ukraine, he said: “As a mediator, it will have to maintain a link and the ability to talk to both sides. We’ve had good relations with both countries over the years. In general, as I mentioned, the Kingdom is against the aggression in Ukraine. But also, most recently, the Kingdom has contributed to the fund that was established by the UN to provide support for the Ukrainian refugees in Europe. So that is where the Kingdom stands.”

He described the Saudi mediation bid as “an offer of a friend to friends — both Ukraine and Russia — (with) whom we have had excellent relations in the recent past.”

Moving on to what he perceives as international hypocrisy exposed by the Russia-Ukraine conflict, Prince Turki said this has been proven “by the way refugees from Ukraine have been described in civilizational terms as being one with the West and one with Europe and so on, as if other refugees from the Middle East or from other parts of the world are not equally human as Ukrainians. That’s one discrepancy in the way that Western media particularly has depicted the issue of the refugees.

“Another one of course — part of the hypocrisy — is the UN and the way that sanctions have been placed on Russia for invading Ukraine but no sanctions for example had been placed on Israel when it invaded Arab countries a few years back. Those are the double standards and the injustices that I think have been taking place over the years.”

On the question of whether Israel should therefore be treated at par with Russia when it comes to sanctions, Prince Turki did not pull punches. “Absolutely. I don’t see what the difference is there between the two,” he told “Frankly Speaking.”

He added: “Aggression is aggression, whether it is committed by Russia or by Israel.”

Furthermore, Prince Turki cast doubt on the theory that normalizing relations with Israel — the route taken by a number of Arab countries, including Egypt, Jordan, the UAE and Bahrain — could be a more productive policy. “I have seen no evidence of that,” he said. “The Palestinian people are still occupied, they are still being imprisoned by the Israeli government. Attacks and assassinations of Palestinian individuals take place almost on a daily basis. The stealing of Palestinian land by Israel continues despite the assurances that Israel gave to the signatories of the peace (accord) between the UAE and Israel. So, there is no sign whatsoever that appeasing Israel is going to change their attitude.”

On issues closer to home, Prince Turki views the recent visit of Turkish President Recep Tayyip Erdogan, for one, as a positive development. “I think the leadership in Turkey has come to realize that their previous animus toward the Kingdom was not serving anybody’s well-being and purpose, especially the Turkish people,” he said, referring to the disputes and disagreements of recent years.

“Historic links bring us together with Turkey not just in terms of geography, but also in terms of human relations and family ties between the two countries. My own grandmother was of Turkish extraction, Circassian.”

Moving forward, the relationship “should be one of the best in terms of benefit for both countries,” Prince Turki said, citing such areas as trade, construction, development projects, and investments by Saudi Arabia and Turkey.

“All of those, I hope, will be restored now that the relationship is hopefully back to normal,” he added.

He expressed similarly cautious optimism about the likelihood of a lasting peace deal in Yemen on the basis of the recently concluded Riyadh agreement and the Ramadan ceasefire.

“I’ve always maintained that ceasefire agreements, as attempted by the UN, particularly concerning Yemen, have lacked one crucial aspect which has not led to their success, and that is a mechanism to enforce the ceasefires,” Prince Turki said.

“We saw, after the Kuwait meeting back in 2016, there was a ceasefire, but it led nowhere. And then there was the Swedish-sponsored ceasefire attempt back in 2018, equally without much success. Saudi Arabia’s own efforts at unilateral ceasefires of recent years have led nowhere because there was no mechanism to implement the ceasefire.”

Nevertheless, Prince Turki expressed hope that with the renewed international impetus to bring the fighting in Yemen to an end, some sort of instrument can be implemented so that any party that does not abide by the ceasefire terms is publicly shamed by the international community.

“That has not happened yet. I have not yet seen the UN saying that the Houthis are not abiding by the ceasefire,” he said, adding: “But I hope that they will have the courage and the moral courage to stand up and say who is at fault here.”

https://www.theatlantic.com/magazine/archive/2022/04/mohammed-bin-salman-saudi-arabia-palace-interview/622822/

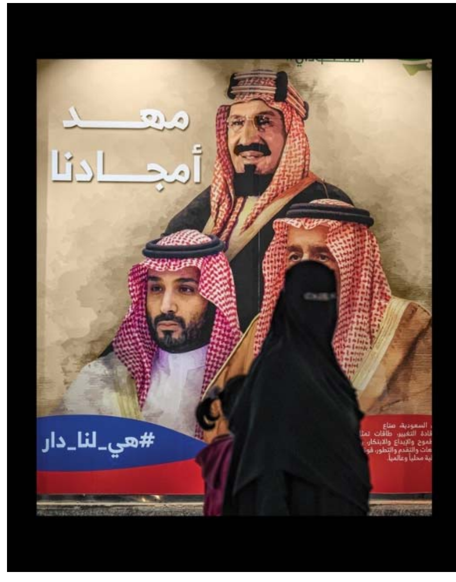
GLOBAL

ABSOLUTE POWER

Asked about the murder of Jamal Khashoggi, Mohammed bin Salman said, “If that’s the way we did things, Khashoggi would not even be among the top 1,000 people on the list.”

By Graeme Wood

Photographs by Lynsey Addario



A woman walks past a poster showing Crown Prince Mohammed bin Salman (*left*) with his father (*right*) and grandfather (*top*), at the old market in Taif, Saudi Arabia. (Lynsey Addario for The Atlantic)

MARCH 3, 2022, 6 AM ET

SHARE

MOHAMMED BIN SALMAN, the crown prince of Saudi Arabia, is 36 years old and has led his country for almost five years. His father, the 86-year-old King Salman, has rarely been seen in public since 2019, and even MBS—as he is universally known—has faced the world only a few times since the pandemic began. Once, he was ubiquitous, on a never-ending publicity tour to promote his plan to modernize his father’s kingdom. But soon after the murder of the *Washington Post* columnist Jamal Khashoggi in 2018, MBS curtailed his travel. His last interview with non-Saudi press was more than two years ago. The CIA concluded that he had ordered Khashoggi’s murder, and Saudi Arabia’s own prosecutors found that it had been conducted by some of the crown prince’s closest aides. They are thought to have dismembered Khashoggi and disintegrated his corpse.

MBS had already developed a reputation for ruthlessness. In 2017, he rounded up hundreds of members of his own family and other wealthy Saudis and imprisoned them in Riyadh’s Ritz-Carlton hotel on informal charges of corruption. The Khashoggi murder fixed a view of the crown prince as brutish, thin-skinned, and psychopathic. Among those who share a dark appraisal of MBS is President Joe Biden, who has so far refused to speak with him. Many in Washington and other Western capitals hope his rise to the throne might still be averted.

But within the kingdom, MBS's succession is understood as inevitable. "Ask any Saudi, anyone at all, whether MBS will be king," a senior Saudi diplomat told me. "If there are people in Washington who think he will not be, then I cannot help them. I am not a psychiatrist."

His father's eventual death will leave him as the absolute monarch of the birthplace of Islam and the owner of the world's largest accessible oil reserves. He will also be the leader of one of America's closest allies and the source of many of its headaches.

I've been traveling to Saudi Arabia over the past three years, trying to understand if the crown prince is a killer, a reformer, or both—and if both, whether he can be one without the other.

Even MBS's critics concede that he has roused the country from an economic and social slumber. In 2016, he unveiled a plan, known as Vision 2030, to convert Saudi Arabia from—allow me to be blunt—one of the world's weirdest countries into a place that could plausibly be called normal. It is now open to visitors and investment, and lets its citizens partake in ordinary acts of recreation and even certain vices. The crown prince has legalized cinemas and concerts, and invited notably raw hip-hop artists to perform. He has allowed women to drive and to dress as freely as they can in dens of sin like Dubai and Bahrain. He has curtailed the role of reactionary clergy and all but abolished the religious police. He has explored relations with Israel.

He has also created a climate of fear unprecedented in Saudi history. Saudi Arabia has never been a free country. But even the most oppressive of MBS's predecessors, his uncle King Faisal, never presided over an atmosphere like that of the present day, when it is widely believed that you place yourself in danger if you criticize the ruler or pay even a mild compliment to his enemies. MBS's critics—not regicidal zealots or al-Qaeda sympathizers, just ordinary people with independent thoughts about his reforms—have gone into exile. Some fear that if he keeps getting his way, the modernized Saudi Arabia will oppress in ways the old Saudi Arabia never imagined. Khalid al-Jabri, the exiled son of one of MBS's most prominent critics, warned me that worse was yet to come: "When he's King Mohammed, Crown Prince MBS is going to be remembered as an angel."

For about two years, MBS hid from public view, as if hoping the Khashoggi murder would be forgotten. It hasn't been. But the crown prince still wants to convince the world that he is saving his country, not holding it hostage—which is why he met twice in recent months with me and the editor in chief of this magazine, Jeffrey Goldberg.

In our meetings, the crown prince was charming, warm, informal, and intelligent. But even at its most affable, absolute monarchy cannot escape weirdness. For our first meeting, MBS summoned us to a remote palace by the Red Sea, his family's COVID bunker. The protocols were multilayered: a succession of PCR tests by nurses from the Royal Clinics; a Gulfstream jet in the middle of the night from Riyadh; a convoy from a deserted airstrip; a surrender of electronic devices; a stopover at a mysterious guesthouse visible in satellite photos but unmarked on Google Maps. He invited us to his palace at about 1:30 a.m., and we spoke for nearly two hours.

For the second meeting, in his palace in Riyadh, we were told to be ready by 10 a.m. It also began after midnight. The halls were astir. The crown prince had just returned after nearly two years of remote work, and aides and ministers padded red carpets seeking meetings, their first in months, with the boss. Neglected packages and documents had piled up on the desks and tables in his office, which was large but hardly opulent. The most obvious concession to high taste was an old-fashioned telescope on a tripod, its altitude set shallow enough that it appeared to be pointed not at the heavens but at Riyadh, the sprawling and unsightly desert metropolis from which the Saud family has ruled for most of the past three centuries.

At the outset of both conversations, MBS said he was saddened that the pandemic precluded giving us hugs. He apologized that we all had to wear masks. (Each meeting was attended by multiple, mainly silent princes wearing identical white robes and masks, leaving us unsure, to this day, who exactly was present.) The crown prince left his tunic unbuttoned at the collar, in a casual style now favored by young Saudi men, and he gave relaxed, nonpsychopathic answers to questions about his personal habits. He tries to limit his Twitter use. He eats breakfast every day with his kids. For fun, he watches TV, avoiding shows, like *House of Cards*, that remind him of work. Instead, he said without apparent irony, he prefers to watch series that help him escape the reality of his job, such as *Game of Thrones*.

Before the meetings, I asked one of MBS's advisers if there were any questions I could ask his boss that he himself could not. "None," he answered, without pausing—"and that is what makes him different from every crown prince who has come before him." I was told he derives energy from being challenged.

MBS said it was "obvious" he had not ordered the killing of Khashoggi. "It hurt me a lot," he said. "It hurt me and it hurt Saudi Arabia, from a feelings perspective."

During our Riyadh encounter, Jeff asked MBS if he was capable of handling criticism. "Thank you very much for this question," the prince said. "If I couldn't, I would not be sitting with you today listening to that question."

"I'd be in the Ritz-Carlton," Jeff suggested.

"Well," he said, "at least it's a five-star hotel."

Difficult questions caused the crown prince to move about jumpily, his voice vibrating at a higher frequency. Every minute or two he performed a complex motor tic: a quick backward tilt of the head, followed by a gulp, like a pelican downing a fish. He complained that he had endured injustice, and he evinced a level of victimhood and grandiosity unusual even by the standards of Middle Eastern rulers.

When we asked if he had ordered the killing of Khashoggi, he said it was "obvious" that he had not. "It hurt me a lot," he said. "It hurt me and it hurt Saudi Arabia, from a feelings perspective."

"From a feelings perspective?"

"I understand the anger, especially among journalists. I respect their feelings. But we also have feelings here, pain here."

The crown prince has told two people close to him that "the Khashoggi incident was the worst thing ever to happen to me, because it could have ruined all of my plans" to reform the country.

In our Riyadh interview, the crown prince said that his *own* rights had been violated in the Khashoggi affair. "I feel that human-rights law wasn't applied to me," he said. "Article XI of the Universal Declaration of Human Rights states that any person is innocent until proven guilty." Saudi Arabia had punished those responsible for the murder, he said—yet comparable atrocities, such as bombings of wedding parties in Afghanistan and the torture of prisoners in Guantánamo Bay, have gone unpunished.

The CIA concluded that Mohammed bin Salman ordered the murder of the *Washington Post* columnist Jamal Khashoggi. Saudi Arabia's own prosecutors found that it had been conducted by some of the crown prince's closest aides. (Moises Saman / Magnum)

The crown prince defended himself in part by asserting that Khashoggi was not important enough to kill. "I never read a Khashoggi article in my life," he said. To our astonishment, he added that if he *were* to send a kill squad, he'd choose a more valuable target, and more competent assassins. "If that's the way we did things"—murdering authors of critical op-eds—"Khashoggi would not even be among the top 1,000 people on the list. If you're going to go for another operation like that, for another person, it's got to be professional and it's got to be one of the top 1,000." Apparently, he had a hypothetical hit list, ready to go. Nevertheless, he maintained that the Khashoggi killing was a "huge mistake."

"Hopefully," he said, no more hit squads would be found. "I'm trying to do my best."

If his best is not good enough for Joe Biden, MBS said, then the consequences of running a moralistic foreign policy would be the president's to discover. "We have a long, historical relationship with America," he said. "Our aim is to keep it and strengthen it." Biden and Vice President Kamala Harris have called for "accountability" for Khashoggi's murder, as well as the humanitarian disaster in Yemen, due to war between Saudi Arabia and Iranian-backed Houthi rebels. The Americans also refuse to treat him as Biden's counterpart—Biden's peer is the king, they insist—even though the crown prince rules the country with his father's blessing. This stings. MBS has lines open to the Chinese. "Where is the potential in the world today?" he said. "It's in Saudi Arabia. And if you want to miss it, I believe other people in the East are going to be super happy."

We asked whether Biden misunderstands something about him. "Simply, I do not care," he replied. Alienating the Saudi monarchy, he suggested, would harm Biden's position. "It's up to him to think about the interests of America." He gave a shrug. "Go for it."

Also risible to the crown prince was the notion that his citizens fear speaking out against him. We need dissent, he said, "if it's objective writing, without any ideological agenda." In practice, I noted, dissent seemed to be nonexistent. In September 2017, MBS ordered a boycott of Qatar, citing the country's support for the Iranian government, the Muslim Brotherhood, al-Qaeda, and other Islamist organizations in the region. His tiny neighbor suddenly transformed from official friend into official villain, and those expressing a kind word toward it disappeared into prison.

These sentiments, apparently, did not count as objective or nonideological. Qatar, MBS said, was comparable to Nazi Germany. "What do you think [would have happened] if someone was praising and trying to push for Hitler in World War II?" he asked. "How would America take that?" Of course Saudis would react strongly to Nazi sympathizers in their midst. Three years later, however, the countries reconciled, and the Saudi government tweeted out a photo of MBS and Hitler—that is, Qatari Emir Tamim Al Thani—wearing board shorts and smiling at MBS's Red Sea palace. "Sheikh Tamim's an amazing person," MBS said. The fight between them had been no big deal, "a fight between brothers." The relationship is now "better than ever in history." The dissenters remain in prison, however, and I do not mean the Ritz-Carlton.

As for the actual Ritz-Carlton prisoners: They had it coming, the crown prince said. Overnight he'd rounded up hundreds of the most prominent Saudis, delivered them to Riyadh's most lavish hotel, and refused to let them go until they confessed and paid up. I said that sounded like he was eliminating rivals. MBS looked incredulous. "How can you eliminate people who don't have any power to begin with?" If they had power, he would not have been able to force them into the Ritz.

Does Joe Biden misunderstand something about him? “Simply, I do not care,” MBS replied. “It’s up to him to think about the interests of America.” He gave a shrug. “Go for it.”

The Ritz operation, MBS said, was a blitzkrieg against corruption, and wildly successful and popular because it started at the top and did not stop there. “Some people thought Saudi Arabia was, you know, just trying to get the big whales,” MBS said. They assumed that after the government extracted settlements from the likes of Alwaleed bin Talal, the kingdom’s richest man, corruption at lower levels would resume. MBS noted, proudly, that even the minnows had been hooked. By 2019, everyone “understood that even if you steal $100, you’re going to pay for it.” In just a few months, he claims to have recovered $100 billion directly, and says that he will recover much more indirectly, as dividends of deterrence.

MBS acknowledged that to outsiders the Ritz operation may have looked thuggish. But to him it was an elegant, and by the way nonviolent, solution to the problem of vampires feasting on the kingdom’s annual budget. (An adviser to MBS told me that one alternative his aides had suggested was executing a few prominent corrupt officials.) During the months that the Ritz served as a prison, the kingdom’s financial regulator was essentially made king pro tempore, to devote the full power of the government to bleeding the vampires dry. But the Ritz guests had not, MBS said, been placed under arrest. That would imply that they had entered the court system and faced charges. Instead, he said, they had been invited to “negotiate”—and to his pleasure, 95 percent did so. “That was a strong signal,” he said. I’m sure it was.

THE SAUDI THRONE does not, like the British throne once did, just pass to the next male heir. The king chooses his successor, and ever since the founding king of the modern Saudi state, Abdulaziz, chose his son Saud as crown prince in 1933, each king has chosen another son of Abdulaziz. (He had 36 sons—with multiple wives and concubines—who survived to adulthood.) All were old enough to remember the camels-and-tents days, before extreme wealth, and they ruled conservatively, as if to lock in their gains. Even the shrewdest and most ambitious kings accomplished little. Abdullah, who took power in 2005, began as a reformer, but much of the momentum of the first half of his reign was lost as he doddered in the second, and the royal treasury was looted. (One notorious alleged thief in the Ritz, a major figure in the Royal Court, was said to have stolen tens of billions of dollars during His Majesty’s decline.)

Salman, the current king and at 86 one of the youngest of Abdulaziz’s brood, saw the perils of unchecked gerontocracy and anointed a successor from the next generation. His choice of Mohammed was not obvious. King Salman’s sons include Faisal, 51, who has a doctorate in international relations from Oxford; and Sultan, 65, a former Royal Saudi Air Force pilot who in 1985 spent a week on the space shuttle Discovery as a payload specialist. Either of these competent and educated men, citizens of the world, might have been a natural successor. But Salman had an inkling that the next king would need a certain grit and fluency with power that cannot be acquired in a seminar or a flight simulator. The new generation, born into luxury, tended to be soft, and the next king would need to be a modern version of a desert warlord like his grandfather.

Outside the immediate family, Salman considered his nephew Mohammad bin Nayef, who is known as MBN, appointing him crown prince in 2015, when he was 55. As a spymaster and security official in the 2000s, MBN had led the country’s domestic war against al-Qaeda, and in the process had become well connected with counterparts in Washington and London. In 2009, MBN was injured when an al-Qaeda bomber packed his underpants with explosives and approached him at an event.

Foreign governments considered MBN a safe pick: old enough but not too old, a proven fighter, respected overseas. But for Salman he was merely a throne-warmer for his son. (MBS had held no high office prior to his father’s coronation and needed a couple of years as defense minister to burnish his CV.) In 2017, Salman fired MBN. When you fire a prince, you fire all those who staked their fortunes on his rise; among the opponents of MBS are foreign governments who had planned for the reign of King MBN, and Saudis whose wealth and influence flowed from him. MBN’s chief adviser, Saad al-Jabri, fled to Canada. He alleges that MBS sent a

team there to kill him. MBS's government alleges that al-Jabri stole a massive fortune and is bankrolling efforts to defame the crown prince. (Both parties deny the claims.) "MBN survived al-Qaeda," al-Jabri's son Khalid told me. "But he couldn't survive his own cousin."

Others have suggested Salman's younger brother Ahmed, a well-liked former deputy interior minister, as a throne-worthy alternative to MBS. Ahmed reportedly opposed MBS's appointment as crown prince. In 2020, he was arrested on suspicion of treason.

HAVING CONSOLIDATED POWER, MBS focused on Vision 2030. He is exasperated by the rest of the world's failure to acknowledge how well it has gone. "Saudi Arabia is a G20 country," he said. "You can see our position five years ago: It was almost 20. Today, we are almost 17." He noted strong non-oil GDP growth, and reeled off statistics about foreign direct investment, Saudi overseas investment, and the share of world trade that passes through Saudi waters. The economic success, the concerts, the social reform—these are all done deals, he said. "If we were having this interview in 2016, you would say I'm making assumptions," he said. "But we did it. You can see it now with your eyes."

He was not lying. Between my first visit to Saudi Arabia, in 2019, and this conversation two years later, I had gone to the movies in Riyadh and sat next to a Saudi woman I had never met. She wore jeans and canvas sneakers, and she bounced her bare ankle while we watched *Zombieland: Double Tap*. When I first visited, I ate at restaurants that had cinder-block walls dividing single men on one side from women and families on the other. These were sledgehammered down—a little Berlin 1989 in every restaurant—and now men and women can eat together without eliciting so much as a sideways glance from fellow diners.

Many of the crown prince's most persistent critics approve of these changes, and wish only that they had come sooner. (Khashoggi was such a critic. When I met him in London for brunch, shortly before his death, I asked him to list MBS's failings. He said "90 percent" of the reforms were prudent and overdue.) The most famous Saudi women's-rights activist, Loujain al-Hathloul, campaigned for women's right to drive, and against the Saudi "guardianship law," which prevented women from traveling or going out in public without a male relative. Al-Hathloul was thrown in prison on terrorism charges in 2018—*after* MBS and his father had announced the imminent end of both policies. In prison, her family says, she was electrocuted, beaten, and—this was just a few months before Khashoggi's murder—threatened with being chopped up and thrown in a sewer, never to be found. (The Saudi government has previously denied allegations of torturing prisoners.)

Left: Saudi Crown Prince Mohammed bin Salman is greeted by Qatar's Emir Sheikh Tamim Al Thani in Doha, Qatar, in 2021. *Center:* The Saudi activist Loujain al-Hathloul in 2021. *Right:* MBS and his father, King Salman, in 2017. (Saudi Press Agency / Reuters; Ahmed Yosri / Reuters; Saudi Press Agency / AP)

Al-Hathloul and other activists had demanded rights, and the ruler had granted them. Their error was in thinking those rights were theirs to take, rather than coming from the monarch, who deserved credit for having bestowed them. Al-Hathloul was released in February 2021, but her family says she is forbidden from traveling abroad or speaking publicly.

Another dissident, Salman al-Awda, is a preacher with a massive following. His original crime, too, was to utter publicly a thought that would later be shared by the crown prince himself. When MBS began squabbling with his counterpart in Qatar, al-Awda tweeted, “May God harmonize between their hearts, for the good of their people.” He was imprisoned, and actual harmony between the two leaders has not freed him. His son Abdullah, now in the United States, claims that his father, who is 65, is being held in solitary confinement and has been tortured.

The crown prince, one of his admirers told me, “put the Wahhabis in a cage, then he reached in with gardening shears and he cut their balls off.”

Saudi authorities say al-Awda is a terrorist and a member of the Muslim Brotherhood, which is supported by Qatar and intent on overthrowing the monarchy and replacing it with a theocracy. (The Muslim Brotherhood plays a bogeyman role in the Saudi imagination similar to the role of Communists in America during the Red Scare. Also like Communists, the Muslim Brotherhood really has worked covertly to undermine state rule, just not to the extent imagined.) Al-Awda’s defenders say he is being punished for daring to speak with a moral voice independent of the monarchy’s. He faces death by beheading.

Would MBS consider pardoning those who’d spoken out in favor of women driving and normalization with Qatar—both now the policy of the country? “That’s not my power. That’s His Majesty’s power,” MBS said. But, he added, “no king has ever used” the pardon power, and his father does not intend to be the first.

The issue, he said, is not a lack of mercy. It is a problem of balance. Yes, there are liberals and kumbaya types who have run afoul of state security—and perhaps some could be candidates for a royal pardon. But some of the others in his jails are bad hombres indeed, and pardons cannot be meted out selectively. “You have, let’s say, extreme left and extreme right,” he said. “If you give forgiveness in one area, you have to give it to some very bad people. And that will take everything backward in Saudi Arabia.”

Left: Saudi women attend a live music performance in Riyadh in January. The crown prince has legalized cinemas and concerts and permitted women to dress as freely as they can in places like Dubai and Bahrain. *Bottom:* A tenth-grade girls’ basketball team in Jeddah. Until recently, a man would have been forbidden to coach a girls’ team. (Lynsey Addario for *The Atlantic*)

On one side are liberals, tugging on the sympathies of Westerners; on the other, Islamists who are also opposed to the monarchy. Letting this latter group out would not just mean the end of rock concerts and coed dining. They would not stop until they brought down the House of Saud, seized the country’s estimated 268 billion barrels of oil and the holy cities of Mecca and Medina, and established a terrorist state. In private conversations with others, MBS has likened Saudi Arabia before the Saud family’s conquest in the 18th

century to the anarchic wasteland of the *Mad Max* films. His family unified the peninsula and slowly developed a system of law and order. Without them, it would be *Mad Max* all over again—or Afghanistan.

Still, the crown prince's argument—that if he extended forgiveness to good people who deserved it, he would have to extend it equally to bad people who did not—struck me as bizarre. Why would one require the other? Then I realized that MBS was not saying that the failure of his plan to remake the kingdom *might* lead to catastrophe. He was saying that he'd guarantee it would. Many secular Arab leaders before him have made the same dark implication: Support everything I do, or I will let slip the dogs of jihad. This was not an argument. It was a threat.

ALI SHIHABI, A Saudi financier and pro-MBS commentator, told me that the changes in Saudi Arabia could be compared to those in revolutionary France. An old order had been overturned, a priestly class crushed; a new order was struggling to be born.

The priestly class in particular interested me. The brand of conservative Islam practiced in Saudi Arabia—called Wahhabism, after the sect's 18th-century founder, Muhammad ibn Abd al-Wahhab—once wielded great power and enjoys at least some popular support. I asked Shihabi if MBS really had diminished the Wahhabis' role. "Diminished their role?" Shihabi asked me. "He put the Wahhabis in a cage, then he reached in with gardening shears"—here he made the universal *snip snip* gesture with his fingers—"and he cut their balls off."

My flight into Riyadh was packed with foreigners attending Stan Lee's Super Con. Ahead of me in the passport line I saw Lou Ferrigno, the Incredible Hulk.

In France, revolution worked out just as badly for the House of Bourbon as it did for the clergy. (Diderot famously wrote that the entrails of the priests would be woven into ropes to strangle kings.) The House of Saud wanted the anticlerical revolution while conveniently omitting the antiroyalist one. I wanted to see how that alliance between monarch and sansculottes was working.

Vision 2030 made modernization easier to observe now than it would have been just a few years ago. Until October 2019, tourist visas to Saudi Arabia did not exist. Then the Saudis realized that to attract crowds to the concerts they had legalized, they'd need to let in visitors. Overnight, a visa to Saudi Arabia went from one of the hardest in the world to get to one of the easiest. In minutes I had one valid for a whole year. My flight into Riyadh was packed with foreigners attending Stan Lee's Super Con. Ahead of me in the passport line I saw Lou Ferrigno, the Incredible Hulk, on his way to an autograph signing.

The new system arrived so fast that the first visitors were like an invasive species, an unnatural fit in the rigid social order of the kingdom. For years, almost every non-Saudi in the country had needed a document called an *iqama*. It was a sort of license to exist: Your *iqama* identified your Saudi patron, the local national whom you were visiting or working for, and who controlled your fate. Every Saudi patron had his own patron, too—sometimes a tribal leader, sometimes a regional one. Even those bigwigs paid obeisance to someone and, eventually, by the transitive property of Saudi deference, to the king himself. Saudi Arabia, MBS explained, "is not one monarchy. You have beneath it more than 1,000 monarchies—town monarchies, tribal monarchies,

semitribal monarchies." The *iqama* guaranteed that every sentient creature fit into this scheme of Saudi society.

MBS batted away my suggestion that this system is antiquated and might be replaced with a constitutional monarchy—one where citizens have freestanding rights not granted by a monarch or a demi-monarch. "No," he said. "Saudi Arabia is based on pure monarchy," and he, as crown prince, would preserve the system. To remove himself from it would amount to a betrayal of all the monarchies and Saudis beneath him. "I can't stage a coup d'état against 14 million citizens."

But he has already forced that system to adapt. Nearly every day someone asked for my *iqama*, and I had to explain that I had none. They reacted as if I'd told them that I had no name. Renting a car, buying a train ticket, checking into a hotel—all of these interactions left some poor clerk baffled. But in the new Saudi Arabia I was free to wander, to listen, to overhear.

Left: Men talk over coffee in Riyadh. *Right:* Young women at a Formula E racing event. (Lynsey Addario for *The Atlantic*)

In Riyadh I found, effortlessly, young people thrilled by the reforms. Like the other major Saudi cities, Dammam and Jeddah, Riyadh has specialty coffee shops in abundance—little outposts of air-conditioning and caffeine, in an environment otherwise characterized by heat and boredom. Many of the Saudis I met professed a deep love for America. "I spent seven years at Cal State Northridge," one told me, before rattling off a list of cities he had visited. He was one of several hundred thousand Saudi students who'd attended U.S. universities on government scholarships in the 2000s. "I studied finance," he said. "But I never graduated. I had a wonderful time." He listed his American friends, who had names like Mike and Emilio. "I drank and did too much meth, and my grades weren't good."

"Is it possible to do just the right amount of meth?" I asked.

"When I came back, I stopped." He looked out the window of the coffee shop at the parched cityscape. "This country is the best rehab center on the planet."

Now he was studying again, at a Saudi university, and planning to open his own business. He had already attended concerts, and he said his fondest wish was to listen to music in the open air and smoke a joint—just one, he promised. He asked if I thought that would happen. I said I did not think that was explicitly part of Vision 2030, but he'd probably get his wish. Later, with him in mind, I asked the crown prince whether alcohol would soon be sold in the kingdom. It was the only policy question that he refused to answer.

In another café, in the northern city of Ha'il, a man pointed to a mural, freshly painted, of the Lebanese singer Fairouz, her hair flowing beautifully over her shoulders. Next to her were her lyrics (in Arabic): "Bring me the flute and sing, for song is the secret to eternity."

"One year ago," he said, "that would not be possible." By "that," he meant pretty much everything: a woman's hair; a celebration of song; a celebration of a song about singing; and, on top of all this, the music playing in the café as we spoke. Before the rise of MBS, every component of this scene would have violated long-standing canons of Saudi morality enforcement. The religious police, known in Arabic as the *hay'a* or *mutawwi'in*, would have busted the joint. They used to show up in ankle-length white *thobes*, their beards curly and unkempt. They yelled at people for dressing immodestly, or thwacked at them with sticks to goad them to the mosque for one of the five daily prayers. For the flagrancy of the Fairouz sins, the café's managers would have been detained, questioned, and punished. "Screw those guys," the man said, in a succinct expression of the most common sentiment I heard about the religious police.

Encounters with the *hay'a* have provided many an appalling story for foreign visitors. When Maureen Dowd of *The New York Times* went to Riyadh in 2002, the *hay'a* spotted her in a shopping mall and objected to being able to see the outline of her body. Her host, the future foreign minister Adel al-Jubeir, pleaded with them, but they were unimpressed by his status as a prominent diplomat, and she fled to her hotel room. "I fretted that I was in one of those movies where an American makes one mistake in a repressive country and ends up rotting in a dungeon," Dowd wrote.

"Saudi Arabia is based on pure monarchy," MBS said. To remove himself from that system would amount to a betrayal of all the Saudis beneath him. "I can't stage a coup d'état against 14 million citizens."

I told one of MBS's advisers that the religious police had been an international PR problem. "May I be impolite?" he asked me. "I don't give a fuck about the *foreigners*. They terrorized *us*." He likened the religious police to J. Edgar Hoover's FBI, operating with unchecked authority. (The religious police's official Arabic name dates back hundreds of years, but still sounds Orwellian in English: the Committee for the Prevention of Vice and Promotion of Virtue.) Anyone who wished to drag down a professional or political rival could scrutinize him for sins, then call the religious police to set up a sting. Or the *hay'a* could flex its authority on its own, either for political reasons—toppling a prince they disliked—or for recreation.

"The religious police were the losers in school," Ali Shihabi told me. "Then they got these jobs and were empowered to go and stop the cute girls, break into the parties no one wanted them at, and shut them down. It attracted a very nasty group of people." The Saudi diplomat told me that he did not miss them, and that Saudi Arabia had needed someone with the crown prince's mettle to get rid of them. "When someone hits you because he does not like what you are wearing," he said, "that is not just a form of harassment. It is abuse."

Left: Golf at the Boulevard in Riyadh. *Right:* A couple, newly engaged, dine at a restaurant in Jeddah in January. In the recent past, many restaurants had cinder-block walls dividing single men on one side from women and families on the other. (Lynsey Addario for *The Atlantic*)

MBS ordered the religious police to stand down, and one of the enduring mysteries of contemporary Saudi Arabia is what these thwackers do, now that they are invisible on the streets. Fuad al-Amri, who runs

the *hay'a* in Mecca province, confessed to me that since the reforms, one of his main activities has been vetting his own employees, to ensure that they aren't fanatics loyal to the Muslim Brotherhood.

MBS'S GRANDFATHER KING Abdulaziz founded the modern Saudi state with the support of the clergy. But he also cracked down on them, hard, when they outlived their usefulness. MBS has recounted a famous anecdote about his grandfather. In 1921, Abdulaziz attended the funeral of the most senior religious scholar in the kingdom. The king told the assembled clerics that they were dear to his heart—in the Arabic idiom, "on my *iqal*," the black cord that holds a Najd headdress in place. But then he warned them: "I can always shake my *iqal*," he said, "and you will fall."

For the past 50 years, Abdulaziz's successors have taken a softer line with the Wahhabis. The Saudi clerical class's power grew, and their imprimatur mattered. In 1964, they sealed the fate of the inept King Saud when his brothers Faisal and Mohammed sought and received religious approval for ousting him. To oppose the religious conservatives was risky. Peter Theroux, a former National Security Council director who worked on the Saudi portfolio during the 2000s, recalls being aghast at the vicious sermons still being preached by government-paid imams years after September 11. Theroux told me he confronted a senior Saudi official about the sermons. "You know," the official apologized, "the big beards are kind of our constituency." The rulers of Saudi Arabia put almost no limits on the speech or behavior of conservative clerics, and in return those clerics exempted the rulers from criticism. "That was the drug deal that the Saudi state was based upon for many years," Theroux told me. "Until Mohammed bin Salman."

Who could resist cheering on MBS as he renegotiated this relationship? One of MBS's most persistent critics in Washington, Senator Chris Murphy, a Democrat from Connecticut, told me the concerts and Comic-Cons in Riyadh have not yet translated into defunding Wahhabi intolerance overseas. "When I'm traveling the world, I still hear story after story of Gulf money and Saudi money fueling very conservative, intolerant Wahhabist mosques," he said. A hallmark of traditional Wahhabism is hatred for non-Wahhabi Muslims, whom the Wahhabis view as even worse than unbelievers for perverting the faith. With little modification, Wahhabi teachings can lead to Osama bin Laden–style jihadism. Murphy said he thinks that isn't over. "The money that flows from Saudi Arabia into conservative Islam isn't as transparent as it was 10 years ago—much of it has been driven underground—but it still exists."

Yet after spending hours in MBS's company, and in the company of his allies and enemies, I was convinced that neutering the clergy was not just symbolic. He was fighting them avidly, and personally. "The kings have historically stayed away from religion," Bernard Haykel, a scholar of Islamic law at Princeton and an acquaintance of MBS's, told me. Outsourcing theology and religious law to the big beards was both an expedient and a necessity, because no ruler had any training in religious law, or indeed a beard of any significant size.

By contrast, MBS has a law degree from King Saud University and flaunts his knowledge and dominance over the clerics. "He's probably the only leader in the Arab world who knows anything about Islamic epistemology and jurisprudence," Haykel told me.

“In Islamic law, the head of the Islamic establishment is *wali al-amr*, the ruler,” MBS explained. He was right: As the ruler, he is in charge of implementing Islam. Typically, Saudi rulers have sought opinions from clerics, occasionally leaning on them to justify a policy the king has selected in advance. MBS does not subcontract his religion out at all.

He explained that Islamic law is based on two textual sources: the Quran and the Sunna, or the example of the Prophet Muhammad, gathered in many tens of thousands of fragments from the Prophet’s life and sayings. Certain rules—not many—come from the unambiguous legislative content of the Quran, he said, and he cannot do anything about them even if he wants to. But those sayings of the Prophet (called Hadith), he explained, do not all have equal value as sources of law, and he said he is bound by only a very small number whose reliability, 1,400 years later, is unimpeachable. Every other source of Islamic law, he said, is open to interpretation—and he is therefore entitled to interpret them as he sees fit.

The effect of this maneuver is to chuck about 95 percent of Islamic law into the sandpit of Saudi history and leave MBS free to do whatever he wants. “He’s short-circuiting the tradition,” Haykel said. “But he’s doing it in an Islamic way. He’s saying that there are very few things that are fixed beyond dispute in Islam. That leaves him to determine what is in the interest of the Muslim community. If that means opening movie theaters, allowing tourists, or women on the beaches on the Red Sea, then so be it.”

MBS rebuked me when I called this attitude “moderate Islam,” though his own government champions the concept on its websites. “That term would make terrorists and extremists happy.” It suggests that “we in Saudi Arabia and other Muslim countries are changing Islam into something new, which is not true,” he said. “We are going back to the core, back to pure Islam” as practiced by Muhammad and his four successors. “These teachings of the Prophet and the four caliphs—they were amazing. They were perfect.”

Even the Islamic law that he is bound to implement will be implemented sparingly. MBS told me a story, reported in Hadith, about a woman who commits fornication, confesses her crime to the Prophet, and begs to be executed. The Prophet repeatedly tells her to go away—implying, the crown prince said, that the Prophet preferred to give sinners every chance at lenience. (MBS did not relate the end of the tale: The woman returns with indisputable evidence of her sin—a bastard son—and the Prophet acquiesces. She is buried to her chest and stoned to death.)

Instead of hunting for sin and punishing it as a matter of course, MBS has curtailed the investigative function of the religious police, and encourages sinners to keep their transgressions between themselves and God. “We should not try to seek out people and prove charges against them,” he said. “You have to do it the way that the Prophet taught us how to do it.” The law will be enforced only against those so flagrant that they are practically demanding to take their lumps.

He also stressed that none of these laws applies to non-Muslims in the kingdom. “If you are a foreign person who’s living or traveling in Saudi Arabia, you have all the right to do whatever you want, based on your beliefs,” he said. “That’s what happened in the Prophet’s time.”

It is hard to exaggerate how drastically this sidelining of Islamic law will change Saudi Arabia. Before MBS, influential clerics issued fatwas exhibiting what might charitably be called a pre-industrial view of the world. They declared that the sun orbited the Earth. They forbade women from riding bikes (“the devil’s horses”) and from watching TV without veiling, just in case the presenters could see them through the screen. Salih al-Fawzan, the most senior cleric in the kingdom today, once issued a chillingly anti-American fatwa forbidding all-you-can-eat buffets, because paying for a meal without knowing what you’ll be eating is akin to gambling.

Some of the clerics may have given in because they were convinced by the crown prince's legal interpretations. Others appear to have succumbed to good old-fashioned intimidation. Formerly conservative clerics will look you in the eye and without hesitation or scruple speak in Stepfordlike coordination with the government's program. The minister of Islamic affairs and guidance, normally an unsmiling type, now cheerily defended the opening of cinemas and mass layoffs of Wahhabi imams. I liked him immediately. His name, Abdullatif Al Asheikh, indicates that he is descended from a long line of stern moralists going back to Muhammad ibn Abd al-Wahhab himself. I told him I had seen the *Zombieland* sequel in his country, and if Woody Harrelson reprised his role in *Zombieland 3*, I would return to Riyadh so we could go to a theater and watch it together. "Why not?" he replied.

Mohammad al-Arefe, a preacher known for his good looks and conservative views, mysteriously began promoting Vision 2030 after a meeting with MBS in 2016. Previously, he had preached that Mada'in Saleh, a spectacular pre-Islamic archaeological site in northwest Saudi Arabia, was forbidden to Muslim tourists. God had struck down the civilization that once lived there, and the place was forever to remain a reminder of his wrath. The conventional view held that Muslims should follow the Prophet's warning to stay away from Mada'in Saleh, but if they absolutely must pass through, they should cast their gaze downward and maintain a fearful demeanor toward the Almighty. Then, in 2019, al-Arefe appeared in what seemed, to me, like some sort of hostage video, filmed by the Saudi tourism authority, lecturing about the site's history and inviting all to enjoy it. If he was displaying a fearful demeanor, it was not toward the Almighty.

IN THE SMALLER CITIES it isn't clear how quickly modernization is catching on. I visited Buraydah, the capital of Qassim, the most conservative part of the country. In two days, every woman I saw wore a black, flowing abaya. I attended the opening of a new shopping mall and showed up early to watch the crowds arrive. The sexes separated themselves without discussion: women in the front, all in black, near the stage where children recited poems and sang; men, in white *thobes*, in the back of the audience and on the sides. The process was unconscious and organic, but to an outsider remarkable, as if salt and pepper were shaken out onto a plate, and the grains slowly and perfectly segregated themselves. Cultural practices decades or centuries old do not yield suddenly.

Taif, a city an hour outside Mecca, was once the summer residence of the king and his family. The Prophet is thought to have visited there, and many Muslims supplement their pilgrimages to Mecca with side trips to other sites from the Prophet's life. The Wahhabis have, historically, treated these visits as un-Islamic and reprehensible. Whenever pilgrimage sites have fallen into Wahhabi hands, they have methodically and remorselessly destroyed them by leveling monuments, grave markers, and other structures sacred to Muslims in other traditions.

One morning I took a long walk to a mosque where the Prophet is said to have prayed. On arrival I found a building in disrepair, fenced off by rusty wire, with parts of it reduced to rubble. A sign at this site, posted by the Ministry of Islamic Affairs, noted in Arabic, Urdu, Indonesian, and English that the historical evidence for the Prophet's visit was uncertain. It suggested, further, that "to feel an adoring reverence or regard toward these places is a kind of heresy and fabrication in religion," an innovation not sanctioned by God that "leads to polytheism."

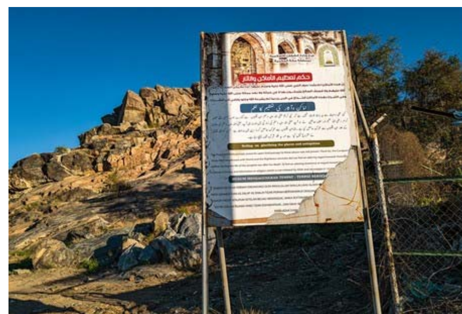
Later, I met Mohammad al-Issa, formerly the minister of justice under King Abdullah and now, as secretary-general of the Muslim World League, an all-purpose interfaith emissary for his country. In the past, Saudi clerics inveighed against infidels of all types. Now al-Issa spends his time meeting Buddhists, Christians, and Jews, and trying to stay ahead of the occasional surfacing of comments he made in less conciliatory times. I asked him about the site, and whether Saudi Arabia's new tolerance—which he emphasizes so energetically overseas, with non-Muslims—would apply domestically. He assured me that it already did. "If in the past there

were some mistakes, now there is correction," al-Issa said. "Everyone has the right to visit the historic places, and there is a lot of care given to them."

"But the signs are still up," I said.

"Maybe they are there to remind people to be respectful," he suggested. "You see signs like that at sites all over the world: 'Don't touch or take the stones.'"

But these signs are not meant to preserve the ruins. They are there to remind you that you are wicked for visiting at all.



A mosque in Taif where the Prophet Muhammad is said to have prayed. A sign posted by the Ministry of Islamic Affairs notes that the historical evidence for the Prophet's visit is uncertain, and warns that "to feel an adoring reverence or regard toward these places is a kind of heresy." (Lynsey Addario for *The Atlantic*)

The day after my trip to the mosque, I stopped by a Starbucks in Taif. It was early afternoon. When I pulled the door handle, it clunked—the shop was closed for prayer, just as it would have been if the religious police had been enforcing prayer times.

As I waited outside alone, a small police truck pulled up behind me. The police officer salaamed me, and I responded in Arabic. Only after a short interrogation ("What are you doing here? Why are you here?") did he discover that I was American—not, as I think he suspected, Filipino—and apologize awkwardly and leave. It took me a minute to realize what had happened: The religious police have stood down, and the ordinary police have stood up in their place. The conservatism in society has not gone away. In some places, it has just undergone a costume change.

THESE LINGERING MANIFESTATIONS of intolerance illustrate what MBS's critics say is his ultimate error: Even a crown prince can't change a culture by fiat.

Belated realization of this error might be behind the grandest and most improbable of his projects. If existing cities resist your orders, just build a new one programmed to do your bidding from the start. In October 2017, MBS decreed a city in a mostly uninhabited area on the Gulf of Aqaba, adjacent to Egypt's Sinai Peninsula, the southwestern edge of Jordan, and the Israeli resort town Eilat. The city is called Neom, from a violent collision between the Greek word *neos* ("new") and the Arabic *mustaqbal* ("future").

At present, little exists but an encampment for the employees of the Neom project, a small area of tract housing. Regular buses take them to shop in the nearest city, Tabuk, which is itself a city only by the standards

of the vacant, rock-strewn desert nearby. (If you recall the early scenes of *Lawrence of Arabia*, when a lonely camel-borne Peter O'Toole sings "The Man Who Broke the Bank at Monte Carlo" to the echoes of a sandstone canyon, then you know the spot.) The ambitions for this settlement are vast. Neom's administrators say they expect it to attract billions of dollars in investment and millions of residents, both Saudi and foreign, within 10 to 20 years. Dubai grew at a similar pace in the 1990s and 2000s. MBS said Neom is "not a copy of anything elsewhere," not a xerox of Dubai. But it has more in common with the great globalized mainstream than with anything in the history of a country that, until recently, was remarkably successful at walling off its traditional culture from the blandishments of modernity.

For a few hours, the Neom team showed me around and made grandiose promises about the future. Neom would lure its investors, I gathered, by creating the ideal regulatory environment, stitched together from best practices elsewhere. The city would profit from central planning. When New York or Delhi want to grow, they choke on their own traffic and decrepit infrastructure. Neom has no inherited infrastructure at all. The centerpiece of the project will be "The Line"—a 106-mile-long, very skinny urban strip connected by a single bullet train that will travel from end to end in 20 minutes. (No train capable of this speed currently exists.) The Line is intended to be walkable—the train will run underground—and a short hike perpendicular to its main axis will take you into pristine desert. Water will be desalinated; energy, renewable.

So far, Neom is less a city than an urbanist cargo cult. The practicalities can come later, or not at all. (The projected cost is in the hundreds of billions of dollars, a huge sum even for Saudi Arabia.) But many good ideas look crazy at first. What struck me was that Neom's vision is really an anti-vision. It is the opposite of the old Saudi Arabia. In the old Saudi Arabia, and even to an extent today, corruption and bureaucracy layered on each other to make an entrepreneur's nightmare. Riyadh has almost no public transportation. No matter where you are, you cannot walk anywhere, except perhaps to your local mosque. No one in Neom mentioned religion at all. Even Neom's location is suggestive. It is far from where Saudis actually live. Instead it is huddled in a mostly empty corner, as if seeking sustenance and inspiration from Jordan and Israel.

Seen this way, Neom is MBS's declaration of intellectual and cultural bankruptcy on behalf of his country. Few nations have as many carried costs as Saudi Arabia, and Neom zeroes them out and starts afresh with a plan unburdened by the past. To any parts of the kingdom that cling to their old ways, it promises that the future is everything they are not. And the future will wait only so long.

DURING THE 1990S AND 2000S, Saudi Arabia was a net exporter of vision, but it was a jihadist vision. The standard narrative, now accepted by the Saudi state itself, is that the kingdom was seduced by conservative Islam, and eventually the jihadists it sent overseas (most famously Osama bin Laden) redirected their efforts toward the Saudi monarchy and its allies. Fifteen of the 19 hijackers on 9/11 were Saudi citizens.

"A series of things happened that made the Saudis realize they couldn't keep playing the game they had been playing," Philip Zelikow, a State Department official under George W. Bush and the executive director of the 9/11 Commission, told me. The years of violence that followed 9/11 shocked the Saudis into realizing that they had a reckoning coming, though only after jihadists began attacking in the kingdom itself did the government move to crush them. What the Saudis did not have was a plan to redirect the jihadists' energy. "They needed to have some story of what kind of country they were going to be when they grew up," Zelikow said. Jihadism would not be that story. But there was no immediate alternative, either for society or for the individuals

attracted to jihadism. Saudi Arabia was left to do what most other countries, including the United States, have done, which is to imprison terrorists until they grow too old to fight.

Left: The aftermath of an al-Qaeda bombing in Riyadh in 2003. Only after jihadists began attacking in the kingdom did the government move to crush them. *Right:* Saudi Special Security Forces at the Counterterrorism Training School in Riyadh in 2013. (Lynsey Addario)

Last year, Saudi officials informed me that the crown prince had a new plan to deprogram jihadists. One morning they sent a convoy of state-security SUVs to my hotel, and with lights flashing, we left behind the glassy skyscrapers of the capital and continued along one of the straight, hypnotic roads radiating from Riyadh to nowhere. An hour later, we turned off at an area called al-Ha'ir and went through a security checkpoint.

Ha'ir is a state-security prison, run by the Saudi secret police, which means that its prisoners are not car thieves and check forgers but offenders against the state. They include jihadists from al-Qaeda and the Islamic State—I met at least a dozen of each—as well as softer Islamists, like Salman al-Awda, the cleric.

We drove past the checkpoint and through the gates, into a windswept compound coated in a film of light-brown dust, like tiramisu. We were met by the director of state-security prisons, Muhammad bin Salman al-Sarrah, and what appeared to be a television crew of at least half a dozen men, each bearing a microphone or a camera. I worried about what would happen next. Newsworthy events inside the walls of terrorist prisons tend not to be good. Lurking in the background were several bearded men in identical gray business suits.

During the 1990s and 2000s, Saudi Arabia was a net exporter of vision, but it was a jihadist vision. Fifteen of the 19 hijackers on 9/11 were Saudi citizens.

Al-Sarrah, it turned out, was a real jihadism nerd, and over tea we reminisced about various luminaries in the history of Saudi terror. After this small talk, he invited me to join him in an auditorium that could have been a lecture hall on a small college campus. Shutters clicked as the cameramen followed.

In the auditorium, the men in suits took the stage. Their leader, a man named Abdullah al-Qahtani, explained that he and most of the others in the room were prisoners, and that they had a PowerPoint presentation they wished to show me about the enterprise they were running in the prison. The camera crew was made up of prisoners too, and they were documenting my visit for imprisoned members of jihadist sects.

What followed was the most surreal slide deck I have ever seen: a corporate org chart and plans for a set of businesses run from within the prison by jihadists and other enemies of the state. Al-Qahtani spoke in Arabic, translated by an excitable counterpart nearby.

The org chart showed CEO al-Qahtani at the top, with direct reports from seven offices beneath him, among them financial, business development, and "programs' affairs." Under the last of these was another sub-office, "social responsibility."

Al-Qahtani explained that 89 percent of the prison population had taken part in the program so far. In a way, it was like any other prison-industry program; in the United States, prisoners staff call centers, raise tilapia, or just push brooms in the prison corridor for a dollar an hour. But the Ha'ir group, doing business as a company called, simply, Power, was aggressively corporate and entrepreneurial.

Al-Qahtani and the interpreter took me to a small garden, where prisoners cultivated peppers under plastic sheeting and raised bees and harvested their honey to sell at the prison shop, in little jars with the Power logo. They operated a laundromat and presented me with a price list. The prison will clean your clothes for free, they said, but staff and inmates alike could bring clothes here for special services, such as tailoring, for a fee. I could see shirts, freshly laundered and pressed, with prisoner numbers inked into the collars. Each number started with the year of entry on the Islamic calendar. I saw one that started in 1431, about 12 years ago.

Almost all the men wore thick beards, and many had a *zabiba* (literally "raisin"), the discolored, wrinkly spot one gets from pressing the head to the ground in prayer. Some of their products were artisanal and religious-themed. They led me into a tiny room, a factory for the production of perfumes for sale outside the prison, and to another room where they made prayer beads from olive pits.

"Here, smell this," a former member of al-Qaeda commanded me, sticking under my nose a paper strip blotted with a chemical I could not identify. I think the scent was lavender. Another prisoner, at the Power-run prison canteen, offered me free frozen yogurt. As I walked around the prison, the yogurt began to melt, and my interpreter held it so I could take notes.

Strangest of all, I found, was Power's corporate nerve center—a warren of drab, cubicle-filled offices. The employees wore uniforms: suits for the C-suite executives and blue Power-branded polo shirts for the mid-levels puttering on their computers. They had a conference room with a whiteboard (at the top, "In the name of God, the most gracious, most merciful" was written in Arabic, and partially erased; the rest was the remains of a sales brainstorming session), a reception desk, and portraits of the king and the crown prince overseeing it all.

Nothing is stranger than normalcy where one least expects it. These jihadists—people who recently would have sacrificed their life to take mine—had apparently been converted into office drones. Fifteen years ago, Saudi Arabia tried to deprogram them by sending them to debate clerics loyal to the government, who told the prisoners that they had misinterpreted Islam and needed to repent. But if this scene was to be believed, it turned out that terrorists didn't need a learned debate about the will of God. They needed their spirits broken by corporate drudgery. They needed Dunder Mifflin.

My hyperactive interpreter, who had been gesticulating and yapping throughout the tour, was no ordinary jihadist. He was an American-born Saudi member of al-Qaeda named Yaser Esam Hamdi. Hamdi, now 41, emerged from a pile of rubble in northern Afghanistan in December 2001. His dear friend, pulled from the same rubble, was John Walker Lindh, the so-called American Taliban. Hamdi spent months in Guantánamo Bay before being transferred to the U.S.; he was released after his father, a prominent Saudi petrochemical executive, helped take Hamdi's case to the Supreme Court, and won (*Hamdi v. Rumsfeld*). Hamdi was sent back to Saudi Arabia on the condition that he renounce his U.S. citizenship (he was born in Louisiana and left as a small child), but the Saudis decided he needed more time in prison and locked him up for eight years in a facility in Dammam, and for another seven in Ha'ir. He is due for release this year.

Hamdi guided me like a kid showing his parents around his sleepaway camp. He explained that Power is part of a larger entity at the prison, known as the "Management of Time" (*Idarat al-Waqt*)—a comprehensive but amorphous program meant to beguile the inmates out of bad ideas and replace them with good ones. It

involves corporate training, but also gathering the inmates together for song and music, for poetry readings, for the publishing of newspapers (I snagged a copy of the *Management of Time News*), and for the production of TV shows. I watched a room full of men sing a song they had written, "O My Country!," and show videos in which they extolled the government and the crown prince. Al-Qaeda and ISIS forbid most music and revile the monarchy. Like so many other Saudis, these men seemed to have swapped their religious fanaticism for nationalist fanaticism. One wondered what they really believed.

Al-Sarrah followed close behind us, and I shot him a look when I heard the name of the program. One of the most famous jihadist texts, a playbook for ISIS, is "The Management of Savagery" (*Idarat al-Tawahhush*). It is a deranged manual for destroying the world and replacing it with a new one. That was what this program was doing in reverse: replacing the jihadists' savage appetite for an imagined future with an appetite for the real, the now, and the ordinary.

A bookish man who had been with Osama bin Laden at Tora Bora looked me steadily in the eye, like he was trying to convince me and not himself. "Vision 2030 is real," he said.

I told Hamdi that I had corresponded with his friend Lindh, who served 17 years in federal prison in the United States before his release in 2019. Our correspondence had led me to believe that he was just as radical as ever, and that his stay in prison—spent in solitary study of Islamic texts—had confirmed his violent streak and converted him from an al-Qaeda supporter to an ISIS supporter.

Graeme Wood: I wrote to John Walker Lindh. He wrote back.

"Really?" Hamdi asked, before venturing a guess as to why. "The United States doesn't know how to deal with Muslims. When I was in Afghanistan, I had extreme thinking." Going to a Saudi prison helped. "The difference is that in jail [here] we have a program. You want to explode the thinking we have in our brain. For 17 years he was alone." The Saudis filled Hamdi's time. They managed it. "We didn't have time to read the Islamic books … We didn't have time to do anything but work to improve ourselves." He was a specialist in Power's media department, and could now produce videos of passable quality.

"I didn't know what a montage was," he said. "I didn't know what a design was." We were driving to another part of the prison with al-Sarrah in the front seat and Hamdi and me in the back. "Now I am professional!" he said. "I am a complete montage expert!" He pointed at al-Sarrah, who smiled but did not speak or even look back. "All thanks to this man! The government opened this for us! Now I am in a car! Talking to you! Normally! Peacefully! No kind of problems!" Upon release, he said, he might work for his father's company, or even (this was his dream) go into film and television production. I wondered what it might be like to have a co-worker like Hamdi, with, shall we say, an unconventional work history, and a penchant for extremism and Osama bin Laden that he swore up and down had been thoroughly replaced with a love for film and video production and the crown prince of Saudi Arabia. I was pretty sure Hamdi would be a better colleague than John Walker Lindh.

Top left: A camel market about an hour outside Riyadh, in January. *Top right:* A sign on the highway from Jeddah to Taif marking the turnoff for Mecca. *Bottom:* Women in Asir province. Outside Saudi Arabia's major cities, it isn't clear how quickly modernization is catching on. (Lynsey Addario for *The Atlantic*)

At the prison I asked many inmates how they could trade jihadism for these worldly things, which surely amounted to frippery compared with the chance to die in the path of God. They laughed, nervously, as if to ask what I was trying to do—get them to leave the prison and kill again? They were mostly still young, and they yearned for freedom. That they no longer wanted something thrilling and extraordinary was exactly the point. It is possible to have too much vision, or the wrong kind—some of them had gone to Syria, barely survived, and had had enough vision, thank you very much. "We don't want anything but a normal life," one told me. "I would be happy just to go outside, to walk on the Boulevard in Riyadh, to go to McDonald's."

"I went to Syria because I was offered to take part in a dream, the dream of a caliphate," said another. Ali al-Faqasi al-Ghamdi, a bookish man who had been with bin Laden at Tora Bora, told me he now recognized such dreams as counterfeit. What, he asked, is the point of a big, exciting dream when it is a false one? A small ambition that can actually be fulfilled is preferable to a big one that cannot. He looked me steadily in the eye, like he was trying to convince me and not himself. "Vision 2030 is real."

AMERICA MUST NOW decide whether that vision is worth encouraging. Twenty years ago, if you had told me that in 2022 the future king of Saudi Arabia would be pursuing a relationship with Israel; treating women as full members of society; punishing corruption, even in his own family; stanching the flow of jihadists; diversifying and liberalizing his economy and society; and encouraging the world to see his country and his country to see the world—Wahhabism be damned—I would have told you that your time machine was malfunctioning and you had visited 2052 at the earliest. Now that MBS is in power, all of these things are happening. But the effect is not as pleasing as I had hoped.

In 1804, another modernizing autocrat, Napoleon Bonaparte, arrested Louis Antoine, the duke of Enghien, on suspicion of sedition. The duke was young and foolish, and no great threat to Napoleon. But the future

emperor executed him. Around Europe, monarchs were shocked: If this was how Napoleon treated a harmless naif like the duke, what could they expect from him as his power grew, and his domestic opposition dissolved in fear? The execution of Enghien alerted the most perceptive among them that Napoleon could not be managed or appeased. It took a decade of carnage to figure out how to stop him.

Enghien's schemes wouldn't have stopped Napoleon, and Khashoggi's columns wouldn't have stopped MBS. But his murder was a warning about the personality of the man who will be running Saudi Arabia for the next half century, and it is reasonable to worry about that man even when most of what he does is good and long overdue.

For now, MBS's main request to the outside world, and especially the United States, is the usual request of misbehaving autocrats—namely, to stay out of his internal affairs. "We don't have the right to lecture you in America," he said. "The same goes the other way." Saudi affairs are for Saudis. "You don't have the right to interfere in our interior issues."

But he acknowledges that the fates of the two countries remain linked. In Washington, many see MBS's rise as abetted, perhaps even made inevitable, by American support. "There was a moment in time where the international community could have made it clear that the Khashoggi murder was the straw that broke the camel's back, and that we weren't willing to deal with MBS," Senator Murphy told me. The Trump administration's support, when MBS was at his most vulnerable, saved him. "If MBS ultimately becomes king," Murphy said, "he owes no one bigger than Jared Kushner," Trump's personal envoy to the crown prince. ("You Americans think there is something strange about a ruler who sends his unqualified son-in-law to conduct international relations," one Saudi analyst told me. "For us this is completely normal.")

Some still hope that MBS will not accede to the throne. "Only one of the last five crown princes has eventually become king," Khalid al-Jabri noted to me, optimistically. But everything I see suggests that his ascent is certain, and that the search for alternatives is forlorn. Two of those four also-ran crown princes were sidelined or replaced by MBS himself. The other two died of old age.

The United States needs its partners in isolating Iran, and MBS is a stalwart there. And even domestically, he remains in some ways the right man for the job. He is at least, as Philip Zelikow reminded me, not a ruler in denial. "We wanted Saudi leadership who would face their problems, and embark on an ambitious and incredibly challenging generational struggle to remake Saudi society for the modern world," he told me. Now we have such a leader, and he is presenting a binary choice: support me, or prepare for the jihadist deluge.

"We don't have the right to lecture you in America," MBS said. "The same goes the other way."

MBS is correct when he suggests that the Biden administration's posture toward him is basically recriminatory. *Stop bombing civilians in Yemen. Stop jailing and dismembering dissidents.* The U.S. might, on the margins, be able to persuade MBS to use a softer touch—but only by first persuading him that he will be rewarded for his good behavior. And no persuasion will be possible at all without acknowledging that the game of thrones has concluded and he has won.

Many of the exiles I spoke with said their best hope now is that the crown prince will mellow, and that elder Saudi wise men will keep him from destroying the country with rash decisions, like the fight with Qatar, or the murder of Khashoggi. MBS does have a sense that being capricious and impulsive can be costly. "If we run the country randomly," he told me, "then the whole economy is going to collapse." Others had tried that strategy: "That's the Qaddafi way."

King Salman has instituted measures ostensibly intended to force his son to govern more inclusively after Salman's death. He changed the law of succession to prevent the next king from naming his own children, or indeed anyone from his own branch of the family, as his crown prince. I asked MBS if he understood that to be the rule, and he said yes. I asked if he had anyone in mind for the job. "This is one of the forbidden subjects," he said. "You will be the last to know."

WHEN HE IS KING, however, the rules will belong to him, and to ask him to abide by them against his wishes will be about as easy as negotiating from your suite at the Ritz-Carlton.

A crown prince with a subtler mind and a gentler soul might have implemented MBS's reforms without resorting to his brutal methods. But it is pointless to consider policy in a state of childlike fantasy, as if it were possible to conjure some new Saudi monarch by closing your eyes and wishing him into existence. Open your eyes, and MBS will still be there. If he is not, then the man ruling in his place will not be an Arab Dalai Lama. He will be, at best, a member of the unsustainable Saudi old guard, and at worst one of the big beards of jihadism, now richer than Croesus and ready to fight. As MBS told me, to justify the Ritz operation, "It's sometimes a decision between bad and worse."

Since reality has handed us MBS, the question for America is how to influence him. This question is practical rather than moral: If your moralism drives him into a partnership with China, what good will it have been? A fundamental principle of Chinese foreign relations is butting out of other countries' internal affairs and expecting the same from them. Certainly Beijing will not reprimand him for his treatment of dissidents.

In effect, both the Saudis and the Americans are now in the Ritz-Carlton, forced to bargain with a jailer who promises us prosperity if we submit to his demands, and *Mad Max* if we do not. The predicament is familiar, because it is the same barrel over which every secular Arab autocrat has positioned America since the 1950s. Egypt, Iraq, and Syria all traded semitribal societies for modern ones, and they all became squalid dictatorships that justified themselves as bulwarks against chaos.

Twenty years ago, Syria watchers praised Bashar al-Assad for his modernizing tendencies—his openness to Western influence as well as his Western tastes. He liked Phil Collins; how evil could he be? By now most everyone outside Damascus, Tehran, and Moscow recognizes him as Saddam Hussein's only rival in the dubious competition for most evil Arab leader.

MBS has completed about three-quarters of the transition from tribal king with theocratic characteristics to plain old secular-nationalist autocrat. The rest of that transition need not be as ruthless as the beginning, but MBS shows no sign of letting up. The United States can, and should, make the case that Saudi Arabia's security and development will demand different tools going forward. It might even suggest what those tools should be. But it probably cannot make MBS use them.

A more pragmatic approach is to make sure that the reforms he has instituted stick, and that the changes in Saudi culture become irreversible. The opening of the country and the forcible sidelining of a crooked royal class—these are hard changes to undo, and they bind even the absolute monarch who decreed

them. Granting women driver's licenses was ultimately a smooth process. Taking them back would disrupt millions of lives and sow protest across the kingdom. American influence can acknowledge and encourage such changes.

Sometimes this is how absolute power relaxes its grip: slowly, without anyone noticing. In England, the transition from absolute monarchy to a fully constitutional one took 200 years, not all of them superintended by the most stable kings. MBS is still young and hoarding power, and everyone who has predicted that he would ease up on dissent has so far been proved optimistic. But 50 years is a long reign. The madness of King Mohammed could give way to something else: a slow and graceful renunciation of power—or, as with Assad, an ever more violent exercise of it.

This article appears in the April 2022 print edition with the headline "Absolute Power."

Graeme Wood is a staff writer at *The Atlantic* and the author of *The Way of the Strangers: Encounters With the Islamic State*.

https://www.libyaherald.com/2023/02/libya-will-produce-more-than-1-5-million-barrels-of-oil-per-day-in-2023-agoco-chairman/

Libya will produce more than 1.5 million barrels of oil per day in 2023: AGOCO chairman

Provision of budget, continued and fast development, stability in Libya and oil sector - all contributing factors

by **Ibrahim Senusi** February 14, 2023

AGOCO chairman Gatrani said Libya can increase production to 1.5 million bpd this year (Photo: AGOCO).

The continuation of the Arabian Gulf Oil Company's (AGOCO) development operations at this pace will inevitably lead to Libya reaching a production rate of more than 1.5 million barrels of oil per day in 2023, AGOCO chairman Salah Gatrani said in an exclusive statement to *Libya Herald*.
He said this was because of the stability witnessed by the country in general, and by the oil sector in particular. Therefore, he continued, the Gulf Company has developed its own plan within the efforts of the National Oil Corporation (NOC). Libya has been unable to maintain production beyond 1.2 million bpd.

Gatrani was commenting to *Libya Herald* following Sunday's AGOCO's meeting on developing reserves and increasing oil production in the sector companies, attended by relevant AGOCO and NOC management.
The AGOCO chairman said that his company has already begun to implement the plan prepared by the NOC to raise production and increase reserves.

Training, localising and developing new techniques
He said AGOCO had actually delayed several projects to raise the efficiency of the employees in the company, including a cooperation project with KAMCO Oil Services Company to raise the efficiency

of employees, localize and develop technology in the company, and keep pace with global updates in the fields of drilling oil wells and extracting crude oil.

Gatrani referred to the conclusion of a training course for workers in the Nafoura field in the field of production engineering on the use of new techniques of electrical narratives and their applications to evaluate rock layers in oil-producing wells as well as water injection wells.

NOC is providing finance after securing it from government

He commended the NOC for supporting its oil companies financially, especially after allocating a good budget to the sector from the Abd Alhamid Aldabaiba government, which positively affected the entire oil sector, as several oil wells have returned to production and the completion of preparations in several new wells.

At the meeting Gatrani referred to the speech by NOC chairman Farhat Bengdara at a previous expanded meeting on the NOC's strategic plan to raise production and develop reserves. He pointed to the importance of this plan, which he said requires concerted efforts to achieve it and provide the necessary capabilities that would ensure access to the target smoothly. The most important of these capabilities, he said, is the steady cash flow as well as overcoming and developing all the problems that hinder the productive process.

AGOCO expected to increase most production

Speaking at the meeting, Khalifa Abdul Sadig, NOC board member, said that this meeting is very important and strategic to increase production and develop reserves in AGOCO, which, he said, constitutes the largest percentage of this plan. He said the NOC is counting on AGOCO to Increase production, develop reserves, and counting on it for the success of the NOC's increased production plan. He admitted that the challenges are great, but with a strong will and wise management, Libya will be able to achieve the goals and results.

Tags: AGOCO Arabian Gulf Oil Company

https://www.vortexa.com/insights/crude/time-to-get-bullish-again-on-crude/

Time to get bullish again on crude?

Numerous structural and seasonal factors are pointing to higher crude prices in the coming months, and onshore crude inventories are already drawing right now.

30 MARCH, 2023

David Wech, Chief Economist

Most investors and oil traders started the year 2023 with a bullish outlook on crude prices, primarily driven by strong oil demand growth expectations of around 2mbd. That was particularly palpable at the IE Week in London in late February. Fast forward to mid March, crude oil was trading around $10/b lower, with ICE Brent zooming in to just $70/b. So, were most people wrong?

Probably not. The mini collapse was largely driven by the banking crisis, with some poor economic readings coming in as well for Q1, feeding GDP growth fears. However, not much is pointing towards a fully-fledged recession. And it may anyway be better to look at direct crude/oil market fundamentals than macro indicators. What are we seeing there?

Demand is surely not doing particularly well right now. Apart from the slow economic growth and wider inflation pressure, we are just coming out of a winter period that from an oil (and gas) seller's point of view was nothing else than horrendously disappointing. Weather, and the anticipation and actions of consumers and fuel suppliers worked together to allow markets coming out of the season with reasonably ample fuel stocks. And Q2 is the seasonal low point in oil demand. So it may still take 4-8 weeks for dynamics on the product-side to catch up. But crude procurement has to be ahead of the curve and buying should already and increasingly reflect expectations for the summer travel and construction season in the Northern Hemisphere, including China. US refiners are already upping runs post maintenance and that will very soon eat into US crude exports.

This leads us to the supply side, where US production expectations are revised down on a regular and consistent basis. The recent fall of WTI and related prices into the $60ies is surely not helping any of the many trends curtailing US shale production. Pretty much everybody around the globe is producing flat out, including most OPEC countries and at least until very recently Russia. Product exports from the latter have been running at ridiculously high levels in March, but also Russian crude exports are close to the upper end of the Covid-era range. As projected in our analysis pieces earlier this year, the country is not really struggling to place its exports, and the preference for clean product exports will prevail due the higher sales value amid Russia's dire budget situation. So there appears to be only one direction for Russian crude exports out of many reasons (incl. announced cuts and seasonality), which is southwards. Otherwise, production outages have been rare recently, with the Kirkuk blockade serving as reminder that new hiccups will show up down the line.

With ample supply and limited demand, crude balances shouldn't be supportive to prices at this point of the year, with the picture widely expected to tighten substantially, but only in H2 2023. However, Vortexa real-time global onshore inventory data is showing substantial, widespread and persistent draws over the last two months. Seven of the last nine weeks saw draws, averaging a strong 1.6mbd.

World onshore crude inventory change by region (4-week average, mbd)

China has kicked off the trend of draws early in the year, but has turned around to builds in more recent weeks. This may be reflective of two things: currently lacklustre refining economics and strong crude procurement from all around the world, including Russia, Iran and parts of the Atlantic Basin. Barrels arriving currently and over the coming months have been bought at low outright prices, and more is expected to come as seasonal demand and rising prices may stimulate more purchases amid concerns of even high prices in the future.

Dirty tanker rates are already lofty, especially for the bigger vessel classes, giving support to the notion of strong Chinese buying and even more upside is expected for the remainder of the year. That is if the supply is actually there to meet crude oil demand! But either way, crude prices are set to rise.

David Wech

Chief Economist

Vortexa

David Wech is contributing his extensive experience in research operations across strategy execution, product development, supply and demand modelling, competitive market positioning, commodity analysis and price forecasting. Before joining Vortexa, he spent 18 years at JBC Energy, including 8 years as Managing Director and 7 years as the Head of Research.

Embargoed until 0945 CST (0145 UTC) 3 April 2023

Caixin China General Manufacturing PMI™

Manufacturing production growth slows in March

After output and new orders had risen solidly in February, Chinese manufacturers registered softer gains at the end of the first quarter of 2023. While the sustained upturn in demand supported a further increase in purchasing activity, inventories continued to fall as firms maintained a cautious approach to stock building. Employment also fell slightly compared to February.

Encouragingly, supplier performance improved for the second month running, which helped to ease cost pressures. Notably, input costs stabilised after rising in each of the prior five months. Business confidence regarding the one-year outlook for output also remained strongly positive.

The headline seasonally adjusted *Purchasing Managers' Index™ (PMI™)* – a composite indicator designed to provide a single-figure snapshot of operating conditions in the manufacturing economy – posted at the neutral level of 50.0 in March. This was down from an eight-month high of 51.6 in February to signal stable business conditions at the end of the first quarter.

A softer rise in manufacturing production was one key factor dampening the headline PMI figure. Growth of output was marginal overall, after rising solidly in the previous month. According to anecdotal evidence, production rose in line with client demand.

Total new orders likewise increased at a softer pace that was only slight. While a number of firms mentioned customer demand and numbers had improved amid the recent easing of pandemic measures, others experienced relatively sluggish sales, particularly from overseas. Notably, new export business fell back into decline in March, though the rate of contraction was mild overall.

After rising in February, manufacturing employment fell slightly in March. Panel members indicated that lower headcounts often reflected decisions not to replace voluntary leavers and efforts to trim costs. Capacity pressures across the sector were meanwhile relatively mild, with backlogs of work rising at a marginal rate that was slower than that seen in the previous month.

Purchasing activity rose modestly for the second straight month in March, with firms linking the latest upturn to the sustained rise in new work and increased production. However, the greater usage of existing inventories, partly due to high purchasing costs, led to a further reduction in inventories of pre-production items. Stocks of finished goods also fell slightly on the month.

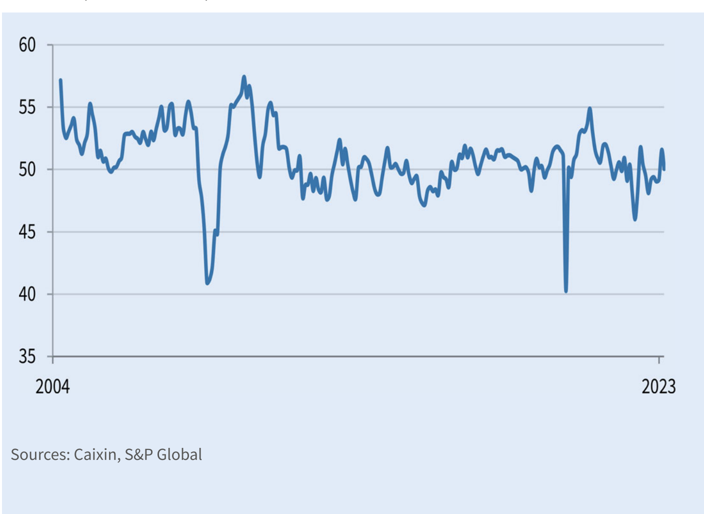
Improved supplier capacity and stock availability amid looser COVID-19 restrictions supported a further improvement in vendor performance during March. Though marginal, it was only the third time that lead times have shortened since 2018.

Input costs were unchanged in March, thereby ending a five-month sequence of inflation. According to panel members, lower costs for some materials, often due to greater supply, had helped to offset increases in other expenses. Average selling prices meanwhile fell fractionally, as a number of companies indicated that efforts to remain competitive had limited overall pricing power.

Finally, Chinese manufacturers remained highly upbeat that output would rise from current levels over the next year. Growth projections were supported by forecasts of improved market demand, higher client numbers and new product developments.

China General Manufacturing PMI

sa, >50 = improvement since previous month



Sources: Caixin, S&P Global

Key findings:

Softer rises in production and new orders

Supply chains improve for second month running

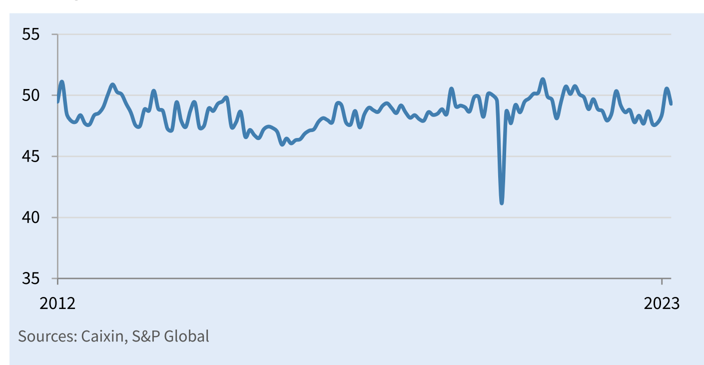
Optimism around the outlook remains strong

New Export Orders Index

sa, >50 = growth since previous month

Employment Index

sa, >50 = growth since previous month



Commenting on the China General Manufacturing PMI™ data, Dr. Wang Zhe, Senior Economist at Caixin Insight Group said:

"The Caixin China General Manufacturing PMI in March dropped 1.6 points from the previous month to 50, as manufacturing activity stabilized after a fast recovery in February.

"Growth in both manufacturing supply and demand softened last month. Although market conditions continued to improve after a Covid-19 policy shift, the marginal slowdown in recovery was evident. The subindexes for output and total new orders remained in expansionary territory, but both readings dipped by more than 2 points from February. External demand weakened amid a global economic downturn, with the gauge for new export orders falling back into contraction, the seventh time it was below 50 in the past eight months.

"Employment in the sector deteriorated, after rising above 50 for the first time since March 2022 in February. The labor market contracted again in March, as businesses were reluctant to hire more workers in order to reduce costs. Meanwhile, backlogs of work grew marginally, with the corresponding measure staying in expansionary territory.

"Inflationary pressure remained modest. The gauge for input prices dropped to the neutral level of 50, as the overall pressure on input costs was modest despite elevated prices of industrial metals and food. The reading for output prices slid into contractionary territory in March — the 10th time it was below 50 in the past 11 months — due to limited improvement in market supply and demand.

"Suppliers' delivery times and logistics services continued to improve amid a post-Covid economic recovery. In March, the subindex for suppliers' delivery times continued to stand above 50. But the willingness to replenish inventories among businesses remained subdued, with stocks of raw materials and inventories of finished products shrinking further.

"Manufacturers remained highly optimistic, with the reading for their expectations for future output significantly higher in March than the long-term average, as they expressed strong confidence in a post-Covid economic rebound.

"In a nutshell, the economy saw a marginal slowdown of recovery in March as the expansion in both manufacturing supply and demand significantly weakened from the previous month. Overseas demand dragged, employment worsened, inventories dropped slightly, prices remained largely stable, logistics was gradually restored to normal, and businesses were still highly confident in the economic outlook.

"Covid infections quickly reached a peak after China dropped its "zero-Covid" policy at the end of 2022, with the economy entering a period of fast recovery. In March, there were signs of weakening in the rebound, as reflected by data in the Caixin China General Manufacturing PMI survey. The foundation for economic recovery is not yet solid. Looking forward, economic growth will still rely on a boost in domestic demand, especially an improvement in household consumption. Only by working hard to stabilize employment, increase household income, and improve market expectations, can the government reach its goal of restoring and expanding consumption."

SUMMARY

- This Spring 2023 **forecast** is an **update** of the previously published 7-year forecast in Autumn 2022,
- Since October 2022, flight **movements** in Europe have developed **in line** with the **base** scenario,
- This forecast is the first publication post COVID-19 with ***all*** forecasting **modules** reconnected: the low-to-high values now refer to a **forecast range** (statistical uncertainty) rather than scenarios,
- The number of **European flights** in **2023** and **2024** has been **slightly revised upwards** due to the continuation of vivid pent-up demand (solid bookings, strong tourist flows in Southern Europe),
- The **2019** number of flights (11.1 million) is expected to be reached in **2025**,
- **After 2025**, flight growth is expected to average **1.5% per year** in the base forecast, owing to the greater uncertainties within the 7-year horizon (higher inflation, pressure on oil prices, environmental concerns…). As downside risks prevail, the number of flights in **the low forecast** stagnates from 2025 onwards.
- Users of the forecasts are strongly advised to use the forecast range. **Moreover, uncertainties** surrounding **further deterioration** of the economy, possible escalation of the geopolitical tensions or other unpredictable events may have a **negative impact** on this forecast.

THIS 7-YEAR FORECAST COVERS 2023-2029 PERIOD

The Spring 2023 forecast takes into account the following updated inputs:

Traffic trends up to February 2023:
After a strong Summer 2022, the industry is further recovering from the COVID-19 pandemic with China reopened since mid-January 2023. The network is still impacted by Russia's invasion of Ukraine.

Routings:
No return to "normal" routing (prior closure of Ukrainian and Russian airspaces) by the end of the seven-year horizon.

Full review of the forecast inputs :
Update of the economic forecast (Oxford Economics, February 2023 release), and all other inputs: population, load factors, future events, high-speed rail network, airport capacities, amongst others.

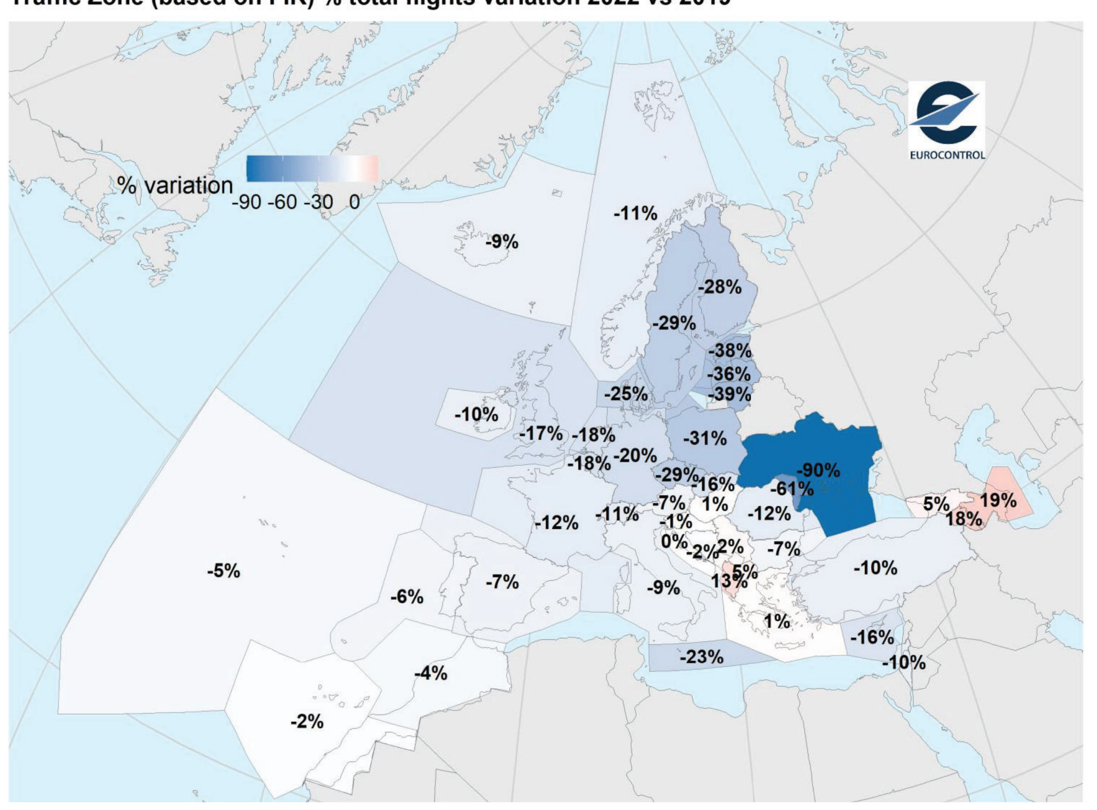
Forecast range:
Forecast with statistical uncertainty (high/base/low) accounting for the following risks: impact of Russia's invasion of Ukraine on the economy, post-pandemic recovery, and increased environmental pressure.

This forecast replaces the 7-year forecast 2022-2028 published in October 2022.

FLIGHTS TRENDS

… however still hiding local disparities in Europe.

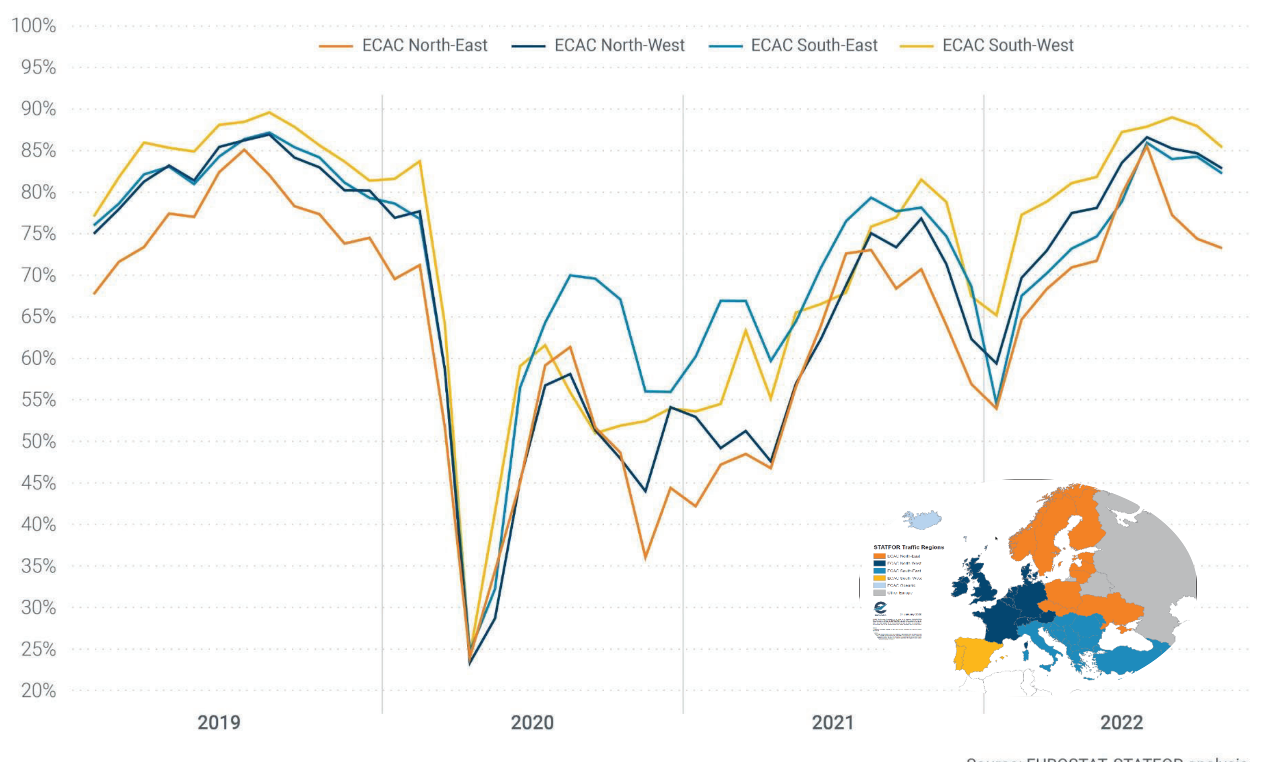
Traffic Zone (based on FIR) % total flights variation 2022 vs 2019



- ▲ Majority of states in **South-Eastern Europe** increased above 2019 levels,
- ▼ **South-& North-Western Europe** remained between 2% and 20% below 2019 levels,
- ▼ **Northern Europe** were significantly impacted by the loss of overflights (Asian flows) due to the Russian's invasion of Ukraine (hence, re-routings via South-Eastern States)
- ▼ Massive flight reduction in **Ukraine** (-90% for 2022 as traffic was normal until 24 February) and **Moldova.**

LOAD FACTORS

Load factors are returning to similar pre-COVID levels



Note: Passengers and seats information are available from EUROSTAT but this only covers major flows. So, load factors are based on this subset of flights.

- **Passenger load factors** for **Western Europe** reaching pre-pandemic load factors. North-East or South-East not yet back.
- **Europe South-West** outperforming other regions.
- **Forecast up to 2029**, we expect load factors in the base to increase to:
  - 81% **North-East**,
  - 87% **North-West** & **South-East**,
  - 90% **South-West**.

EUROCONTROL STATFOR 7-YEAR FORECAST FOR *EUROPE 2023-2029 (SPRING 2023)

Actual and future IFR movements

Source:
EUROCONTROL 7-year Forecast 2023-2029, Spring 2023.

* Europe = ECAC 44 Member States

KEY MESSAGES

The energy transition is off-track. The aftermath of the COVID-19 pandemic and the ripple effects of the Ukraine crisis have further compounded the challenges facing the transition. The stakes could not be higher - every fraction of a degree in global temperature change can trigger significant and far-reaching consequences on natural systems, human societies and economies. Achieving the necessary course-correction in the energy transition will require bold, transformative measures that reflect the urgency of the present situation.

Current pledges and plans fall well short of IRENA's 1.5°C pathway and will result in an emissions gap of 16 gigatonnes (Gt) in 2050. Nationally Determined Contributions (NDCs), long-term low greenhouse gas emission development strategies (LT-LEDs) and net-zero targets, if fully implemented, could reduce carbon dioxide (CO_2) emissions by 6% by 2030 and 56% by 2050, compared to 2022 levels. However, most climate pledges are yet to be translated into detailed national strategies and plans, implemented through policies and regulations, or supported with sufficient funding. According to IRENA's Planned Energy Scenario,[1] the emissions gap is projected to reach 35 Gt by 2050, underscoring the urgent need for comprehensive action to accelerate the transition.[2]

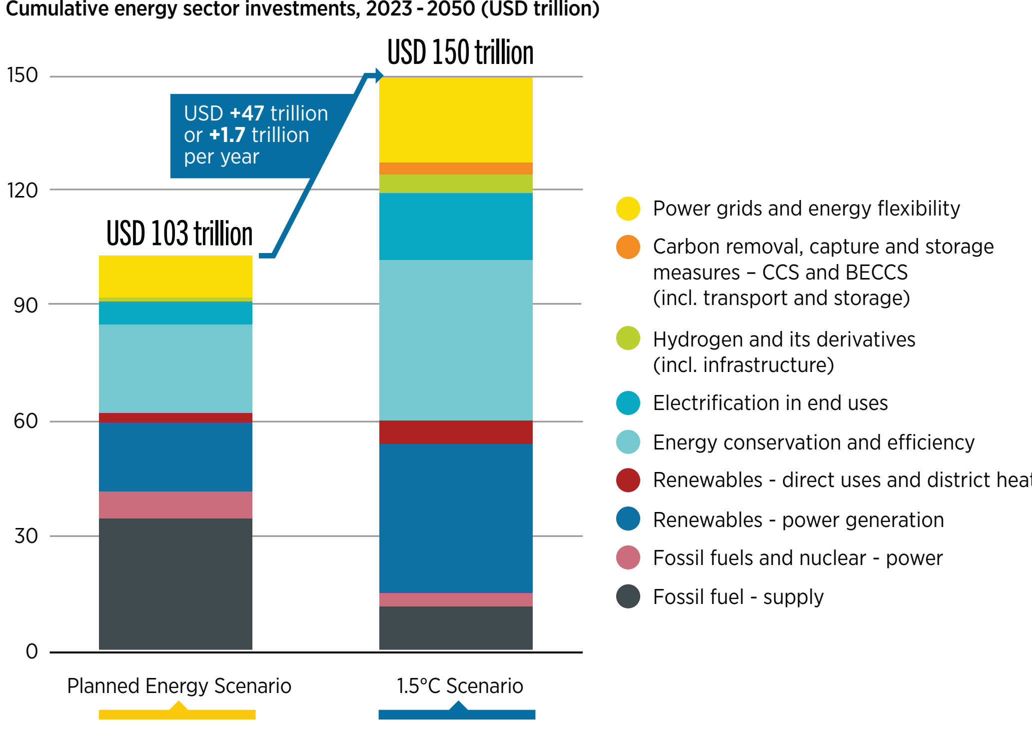
Although global investment across all energy transition technologies reached a record high of USD 1.3 trillion in 2022, annual investment must more than quadruple to remain on the 1.5°C pathway. A cumulative USD 150 trillion is required to realise the 1.5°C target by 2050 (Figure 1), averaging over USD 5 trillion in annual terms. Compared with the Planned Energy Scenario - under which a cumulative investment of USD 103 trillion is required - an additional USD 47 trillion in cumulative investment is required by 2050 to remain on the 1.5°C pathway. Around USD 1 trillion of annual investments in fossil fuel based technologies currently envisaged in the Planned Energy Scenario must therefore be redirected towards energy transition technologies and infrastructure.

Cumulative investments between now and 2030 need to total USD 44 trillion, with energy transition technologies representing 80% of the investment, or USD 35 trillion. Total cumulative energy sector investments in the Planned Energy Scenario until 2030 are USD 29 trillion. An additional cumulative investment of USD 15 trillion - or an annual average investment of USD 1.9 billion - would be needed in the 1.5°C Scenario until 2030. Furthermore, a change in the volume and type of investments is required under the 1.5°C Scenario to prioritise the energy transition and set the stage for a dramatic decrease in the fossil fuel share by 2050 (Figure 1).

[1] *For a brief overview of the two scenarios employed in the World Energy Transitions Outlook, see inside rear cover, page 23.*

[2] *The present IRENA scenarios include CO_2 emissions from fossil fuel combustion, waste incineration and industrial processes. COP announcements reflected in Nationally Determined Contributions [NDCs] as of 5 November 2022, long-term low greenhouse gas emission development strategies [LT-LEDs] and net-zero targets as of 5 October 2022 also include land-use emissions.*

FIGURE 1 **Total investment by technological avenue from 2023 to 2050 for achieving the 1.5°C Scenario**



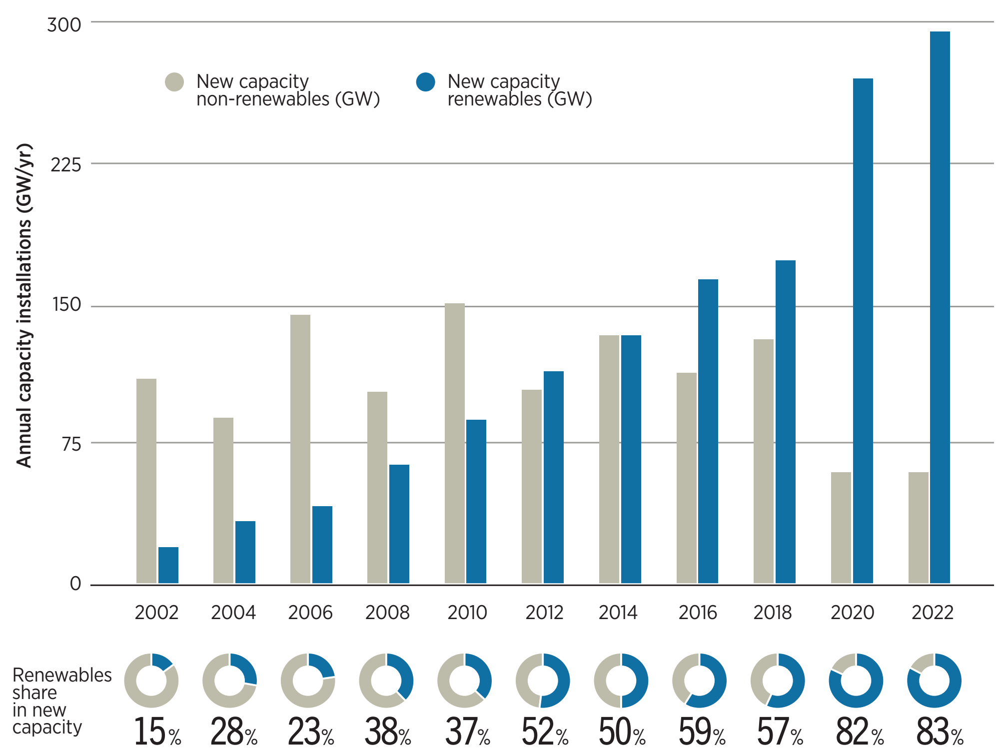
Notes: CCS = carbon capture and storage; BECCS = bioenergy, carbon capture and storage.

Annual investments across all energy transition technologies must more than quadruple to remain on the 1.5°C pathway.

Existing renewable power targets would increase total renewable power capacity to 5.4 terawatts (TW) by 2030, representing less than half of the 11.2 TW needed for a 1.5°C pathway. There is significant scope for aligning and strengthening targets in the short term to provide policy clarity and certainty. In many cases, targets in national energy plans are yet to be aligned with those in NDCs. In addition, targets should be measurable and cover end uses beyond power. Of the 183 Parties with renewable energy components in their NDCs, only 143 had a quantified target - 108 for power and 31 for heating and cooling, transport or cooking (IRENA, 2022).

Some progress is being made, notably in the power sector, with renewables representing 83% of capacity additions and reaching 40% of installed power generation globally in 2022. A total of 295 gigawatts (GW) of renewables was added worldwide in 2022, the largest-ever annual increase in renewable energy capacity (IRENA, 2023a). The strong business case for renewables, coupled with supportive enabling policies, has sustained an upward trend in their share of the global energy mix. However, overall deployment remains centred on a limited number of counties and regions, with China, the European Union and the United States accounting for 75% of capacity additions. Although large-scale deployments of renewable energy are typically associated with countries that have well-developed power systems, it is essential to expand deployment elsewhere, especially in developing nations that lack access to electricity.

FIGURE 2 Annual power capacity expansion, 2002-2022

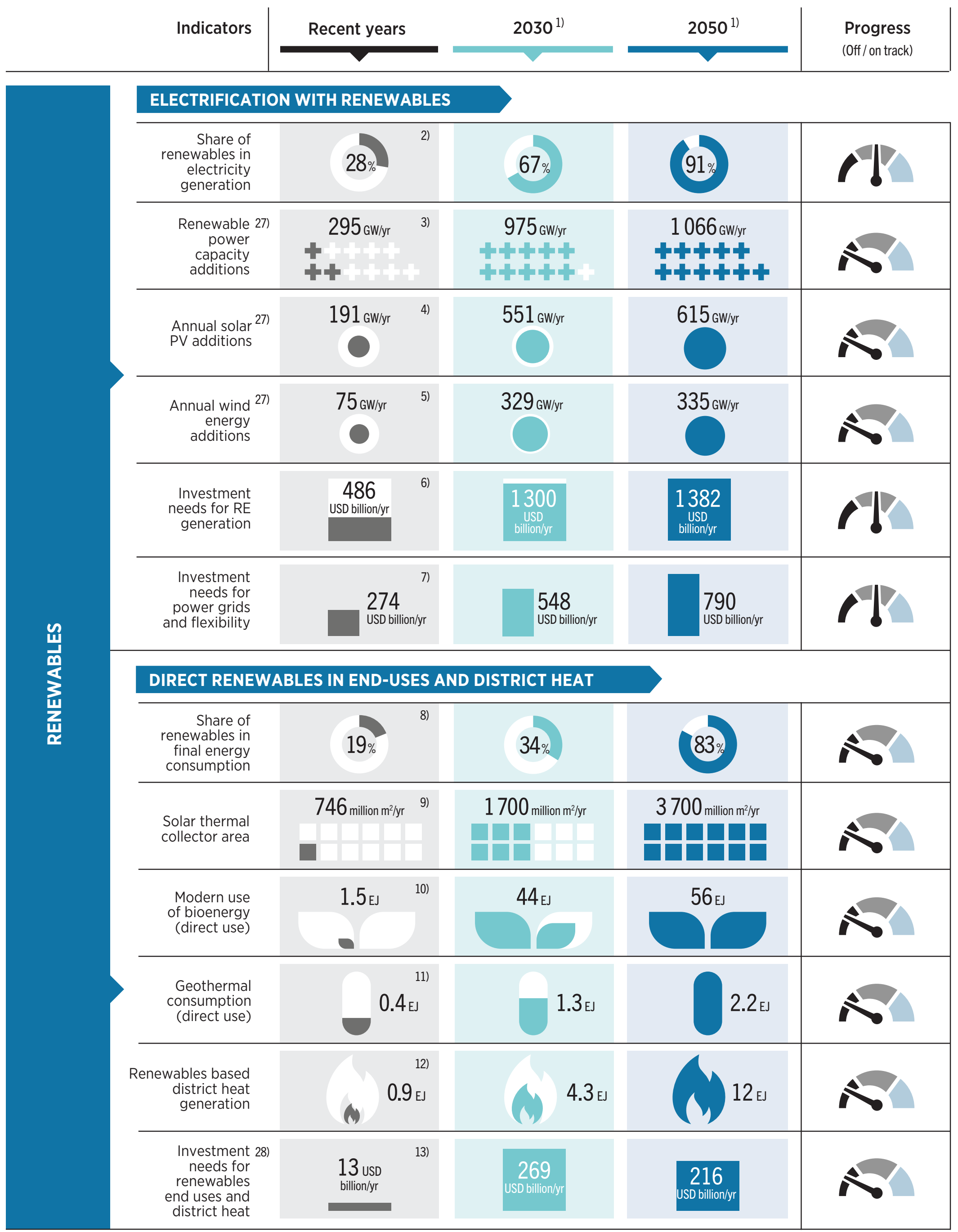


More investments need to flow into developing and emerging markets to make the energy transition more inclusive.

Renewable energy investment remains concentrated in a limited number of countries and focused on only a few technologies. Investment in renewables reached USD 0.5 trillion in 2022; however, this is less than one-third of the average investment needed each year in renewables under the 1.5°C Scenario. Furthermore, in 2022, 85% of global renewable energy investment benefitted less than 50% of the world's population and Africa accounted for only 1% of additional capacity in 2022 (IRENA and CPI, 2023; IRENA, 2023a). Investments in off-grid renewable energy solutions in 2021 amounted to USD 0.5 billion (IRENA and CPI, 2023), far below the USD 15 billion needed annually to 2030. While many technology choices exist, most investments were in solar PV and wind power, with 95% channelled toward these technologies (IRENA *et al.*, 2023). Greater volumes of funding need to flow to other energy transition technologies such as biofuels, hydropower and geothermal energy, as well as to sectors beyond power that have lower shares of renewables in total final energy consumption (*e.g.* heating and transport).

Every year, the gap between what is required and what is implemented continues to grow. IRENA's energy transition indicators (see Table 1) show significant acceleration is needed across energy sectors and technologies, from deeper end-use electrification of transport and heat, to direct renewable use, energy efficiency and infrastructure additions. Delays only add to the already considerable challenge of meeting IPCC-defined emission reduction levels in 2030 and 2050 for a 1.5°C trajectory (IPCC, 2022). The lack of progress will also increase future investment needs and the costs of worsening climate change effects.

TABLE 1 **Tracking progress of key energy system components to achieve the 1.5°C scenario**



	Indicators	Recent years	2030 [1]	2050 [1]	Progress (Off / on track)
RENEWABLES	**ELECTRIFICATION WITH RENEWABLES**				
	Share of renewables in electricity generation	28% [2]	67%	91%	
	Renewable power capacity additions [27]	295 GW/yr [3]	975 GW/yr	1 066 GW/yr	
	Annual solar PV additions [27]	191 GW/yr [4]	551 GW/yr	615 GW/yr	
	Annual wind energy additions [27]	75 GW/yr [5]	329 GW/yr	335 GW/yr	
	Investment needs for RE generation	486 USD billion/yr [6]	1 300 USD billion/yr	1 382 USD billion/yr	
	Investment needs for power grids and flexibility	274 USD billion/yr [7]	548 USD billion/yr	790 USD billion/yr	
	DIRECT RENEWABLES IN END-USES AND DISTRICT HEAT				
	Share of renewables in final energy consumption	19% [8]	34%	83%	
	Solar thermal collector area	746 million m²/yr [9]	1 700 million m²/yr	3 700 million m²/yr	
	Modern use of bioenergy (direct use)	1.5 EJ [10]	44 EJ	56 EJ	
	Geothermal consumption (direct use)	0.4 EJ [11]	1.3 EJ	2.2 EJ	
	Renewables based district heat generation	0.9 EJ [12]	4.3 EJ	12 EJ	
	Investment needs for renewables end uses and district heat [28]	13 USD billion/yr [13]	269 USD billion/yr	216 USD billion/yr	

▸ continued

(contd.) TABLE 1 Tracking progress of key energy system components to achieve the 1.5°C scenario

	Indicators	Recent years	2030 [1]	2050 [1]	Progress (Off / on track)
ENERGY EFFICIENCY	Energy intensity improvement rate	0.6 %/yr [14]	3.5 %/yr	2.9 %/yr	
	Investment needs for energy conservation and efficiency [29]	295 USD billion/yr [15]	1772 USD billion/yr	1493 USD billion/yr	
ELECTRIFICATION	Share of direct electricity in final energy consumption	22 % [16]	29 %	51 %	
	Passenger electric cars on the road	10.5 million [17]	355 million	2 180 million	
	Investments needs for charging infrastructure of EV's and EV adoption support	30 USD billion/yr [18]	141 USD billion/yr	364 USD billion/yr	
	Investment needs for heat pumps	64 USD billion/yr [19]	266 USD billion/yr	258 USD billion/yr	
HYDROGEN	Clean hydrogen production	0.7 Mt/yr [20]	21.4 Mt/yr	518 Mt/yr	
	Electrolyser capacity	0.5 GW [21]	233 GW	5 722 GW	
	Investment needs for clean hydrogen and derivatives infrastructure [30]	1.1 USD billion/yr [22]	80 USD billion/yr	170 USD billion/yr	
	Clean hydrogen consumption - industry [31]	0.04 EJ [23]	2.4 EJ	40 EJ	
CCS AND BECCS	CCS/CCU to abate emissions in industry	0.01 $GtCO_2$ captured/yr [24]	1.0 $GtCO_2$ captured/yr	3.0 $GtCO_2$ captured/yr	
	BECCS and others to abate emissions in industry	0.002 $GtCO_2$ captured/yr [25]	0.7 $GtCO_2$ captured/yr	1.0 $GtCO_2$ captured/yr	
	Investment needs for carbon removal and infrastructure	6.4 USD billion/yr [26]	18 USD billion/yr	107 USD billion/yr	

▶ Notes: see next page

Companies Facing Carbon Offset Backlash Are Funding Own Projects (2)
2023-04-05 11:23:32.854 GMT

By Alastair Marsh
(Bloomberg) -- A world away from its steel-and-glass headquarters in London, GSK Plc is wading into unfamiliar waters: A mangrove nursery in coastal Indonesia that's being nurtured to harbor crabs, fish — and carbon.

It's the precious carbon GSK is really after, as it seeks to apply the mangroves' carbon-capture prowess to nullify climate-warming gases emitted by its global network of factories and vehicles, and the many asthma inhalers it sells. The drugmaker, wary about the poor quality and questionable climate benefits of carbon offsets for sale on the open market from brokers, is now devising its own credits.

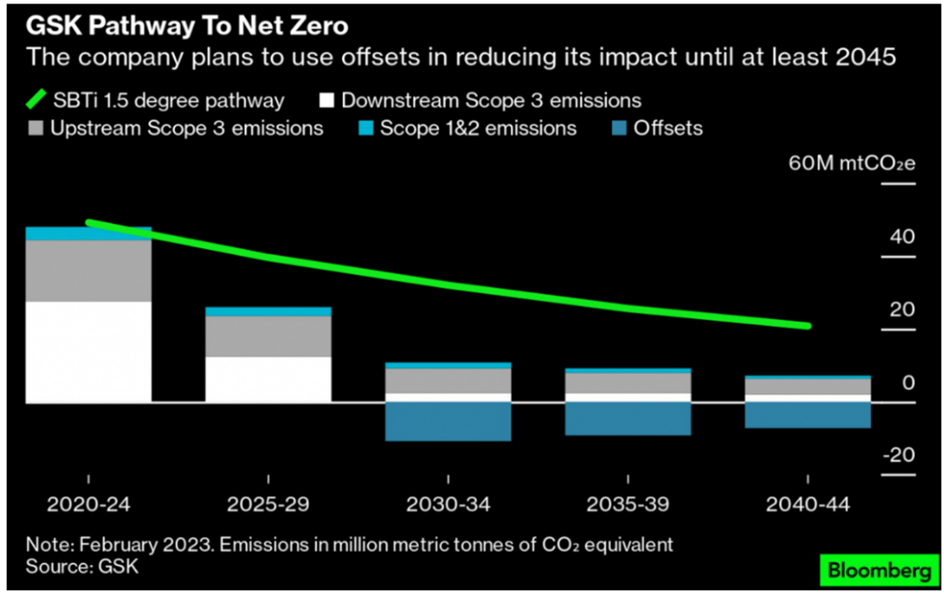
Carbon offsetting is "a fundamental mechanism to move capital where it is needed for nature, climate and health," said Adele Cheli, sustainability partnerships and strategy director at GSK. "Just because it's not perfect doesn't mean we're going to step out. We're going to lean in and make it better."
Other companies are pursuing similar ideas. Shell Plc was the first large company to branch out into offsets development and has created a "nature-based solutions" team that's working on projects from Australia to Senegal. TotalEnergies SE plans to invest $100 million a year in nature-based projects to develop a "natural carbon sink capacity" of more than five million tons of CO2 per year from 2030. BP Plc owns amajority stake in a carbon offset developer and has "scaled up" its carbon credit development efforts.
Danish clean energy giant Orsted A/S says it intends to generate carbon removal credits from a Gambian mangrove project. Chevron Corp. said last year it's supporting areforestation project in Louisiana that will generate carbon offsets. And Bayer AG is working with Indian farmers to make rice cultivation less methane-intense, an outcome that could be monetized through carbon credits.
Existing offsetting schemes are "being challenged," said Klaus Kunz, head of ESG strategy at Bayer, the German drug and agriculture company. "Quality of the projects is key. If done properly, this is a positive tool."
It's also an untested and risky gamble for corporations that are under intense scrutiny from climate-conscious investors. Offsets are a known source of exploitation in poorer countries. A recent United Nations report on corporate greenwashing has warned about an "undue reliance" on offsets. An expert group known as the UK Climate Change Committee believes offsets can disincentivize buyers to cut emissions.
"We need to be on red alert" to ensure the new breed of corporate offsets "are not replacing or delaying radical action to decarbonize," said Nathalie Seddon, professor of biodiversity

at Oxford University.

GSK and VW said they were aware of the greenwashing risk and the need to prioritize emission avoidance and reduction ahead of offsetting. The pharma company said it consulted with technical experts on issues such as “additionality” and “leakage,” and how to share benefits with local communities. GSK said it would prioritize carbon removal credits for its 2030 target. For its 2045 target, only removal offsets will be allowed.

GSK is developing carbon offsets from a mangrove project in Indonesia.

If it works, the entry of large companies could rapidly professionalize the nascent $1.3 billion market and spark a fresh growth cycle.
“Instead of buying [offsets] from a broker where it’s truly caveat emptor, with your own projects you could oversee the impact, quality and expenditure,” said Philip Hardwick, a former executive of emissions businesses at Barclays Plc and JPMorgan Chase & Co.



That may explain why Volkswagen AG — whose direct and indirect emissions are about 30 times larger than GSK's — wants to generate 40 million credits a year by 2030, according to a person familiar with the matter who declined to be identified. A VW spokesperson declined to comment on the target.
To put VW's ambition in context, companies purchased and retired 155 million carbon offsets in 2022, according to BloombergNEF, meaning the German automaker's ambitions equate to about 25% of the market at its current size.

VW aims to achieve net zero by 2050, and has teamed up with a local carbon developer to create a venture called Volkswagen ClimatePartner GmbH to generate offsets. It aims to use those credits to offset supply-chain emissions of VW electric vehicles in Europe, enabling a "carbon-neutral handover to our customers," said Ralf Pfitzner, the company's head of sustainability.
The venture has about eight projects on the go, including the protection of forests and savannas, and plans to release the first credits by 2025, according to Michael Rumberg, managing director of the venture.
GSK believes homegrown offsets can help it neutralize any emissions it can't otherwise eliminate, as it tries to become carbon neutral just seven years from now. It's a challenge: GSK's asthma inhalers alone generate almost half its carbon emissions.
The drug maker says it expects to directly eliminate 80% of its own emissions by 2030, as well as those linked to its suppliers and customers, while neutralizing the remaining 20% with offsets.

GSK's project in Java aims to restore more than 2,500 hectares of mangroves.

One approach is to invest in mangroves, an attractive tool for sucking carbon dioxide from the air. Easily identified by their distinctive latticed roots, the plants thrive in shallow,

brackish water, creating a defense against floods and a vibrant habitat for aquatic life. Crucially, they can sequester up to 50 times more carbon in their soils by area than tropical forests, according to the World Bank.

But mangroves are under threat globally, and Indonesia is one of the hardest-hit areas. GSK's project in Java, developed with carbon developer First Climate, aims to restore over 2,500 hectares of mangroves. In return, the pharma company will receive 120,000 to 140,000 credits per year, Cheli said. A carbon credit represents a ton of carbon dioxide emissions removed from, or not added to, the atmosphere.

And this is just the beginning. GSK plans to eventually generate around two million credits a year for its own use. As more projects come on line, the company in the next five years expects to secure all the credits it needs for the 2030 to 2034 period.

"It's good to invest in it now. If you start today, you may have a good credit in five years," said Anais Bach, former head of operations for TotalEnergies's nature-based solutions business who now runs a carbon-focused startup. "Those who do nothing now will be in trouble as projects at the right price and quality will only become scarcer."

--With assistance from Hayley Warren.

To contact the author of this story:
Alastair Marsh in London at amarsh25@bloomberg.net
To contact the editor responsible for this story:
Gautam Naik at gnaik8@bloomberg.net
Sharon Chen

https://wam.ae/en/details/1395303099637

Tue 08-11-2022 19:05 PM

UAE, Indonesia unveil Mangrove Alliance for Climate at COP27

SHARM EL SHEIKH, 8th November,2022 (WAM) -- Mariam bint Mohammed Almheiri, Minister of Climate Change and the Environment, today announced the launch of the Mangrove Alliance for Climate (MAC). Led by the UAE and Indonesia, the initiative seeks to scale up and accelerate the conservation and restoration of mangrove ecosystems for the benefit of communities worldwide.

The announcement took place at the 27th UN Climate Change Conference (COP27), running in Egypt from 6th to 18th November. Five other countries – India, Sri Lanka, Australia, Japan, and Spain – have joined the Alliance.

MAC seeks to raise awareness about the role of mangroves as a nature-based climate change solution, and, through its members, will work towards expanding and rehabilitating mangrove forests globally.

Mangrove forests are among the most productive and ecologically important ecosystems on earth. They offer significant climate change mitigation and adaptation co-benefits, as they store carbon up to 400 percent faster than land-based tropical rainforests, protect coasts from rising sea levels, erosion, and storm surges, and provide breeding grounds for marine biodiversity. Around 80 percent of the global fish population depend on healthy mangrove ecosystems.

Mariam Almheiri said, "Increasing reliance on nature-based solutions is an integral element of the UAE's climate action on the domestic as well as international level, therefore we seek to expand our mangrove cover. At COP26, we presented our ambitious target of planting 100 million mangroves by 2030."

"We are pleased to launch MAC jointly with Indonesia, and believe it will go a long way in driving collective climate action and rehabilitating blue carbon ecosystems," she added.

The Minister noted that the UAE intends to plant three million mangroves within the next two months.

At the MAC launch ceremony, the website

https://mangrovealliance4climate.org, which features the alliance's goals, work mechanisms, and a pledge form for members, went live.

MAC will follow a voluntary approach. Members can determine their own commitments towards planting and restoring mangrove forests, promoting multilateral cooperation, and sharing knowledge, while the Alliance will support their projects in the areas of mangrove research, management and protection of coastal areas, and educating the public about climate change mitigation and adaptation.

Collectively, members will demonstrate their dedication to maximising the potential of nature-based solutions through mangrove planting and conservation campaigns, enhance mangroves' climate change mitigation capabilities through research and innovation, contribute to mangrove conservation worldwide through scientific and socio-economic studies, engage the community and the private sector in mangrove planting to expand blue carbon ecosystems, and step up concerted efforts to advance the global climate agenda.

MAC will feature multiple interactive platforms, including annual meetings to track progress in implementing its goals, drive cooperation between members, and approve annual reports.

Lina Ibrahim/ Amjad Saleh

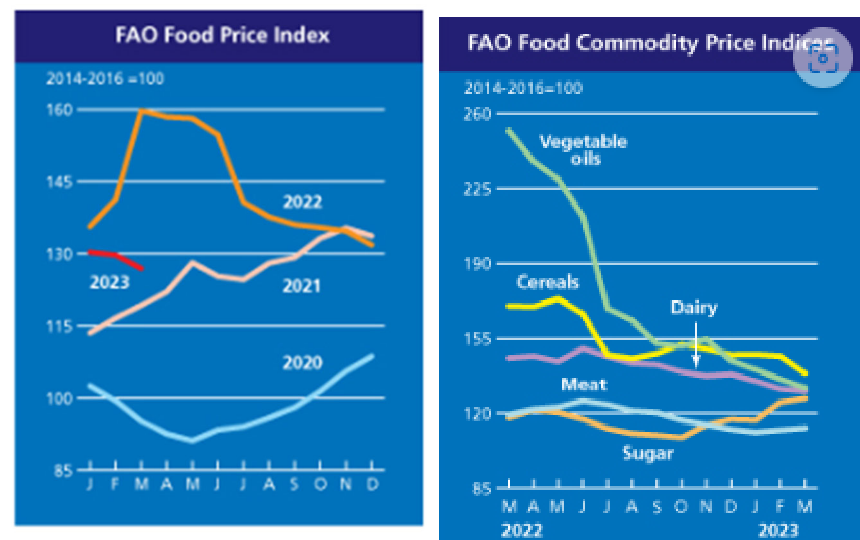
FAO Food Price Index

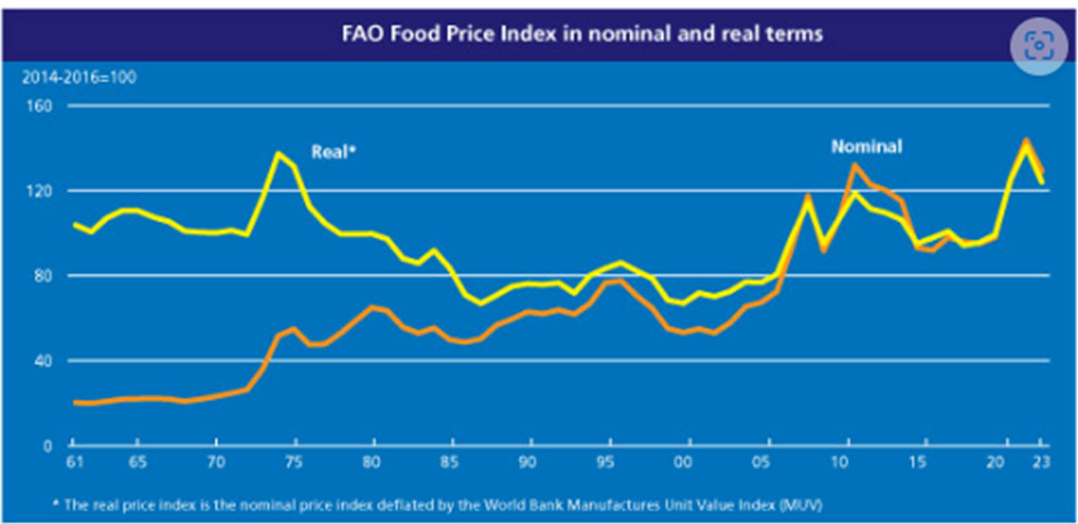
The FAO Food Price Index (FFPI) is a measure of the monthly change in international prices of a basket of food commodities. It consists of the average of five commodity group price indices weighted by the average export shares of each of the groups over 2014-2016. A feature article published in the June 2020 edition of the Food Outlook presents the revision of the base period for the calculation of the FFPI and the expansion of its price coverage, to be introduced from July 2020. A November 2013 article contains technical background on the previous construction of the FFPI.

Monthly release dates for 2023: 6 January, 3 February, 3 March, 7 April, 5 May, 2 June, 7 July, 4 August, 8 September, 6 October, 3 November, 8 December.

The FAO Food Price Index continues to drop

Release date: 07/04/2023





» The **FAO Food Price Index*** (FFPI) averaged 126.9 points in March 2023, down 2.8 points (2.1 percent) from February, marking the twelfth consecutive monthly decline since reaching its peak one year ago. During the past twelve months since March 2022, the index has fallen by as much as 32.8 points (20.5 percent). The decline in the index in March was led by drops in the cereal, vegetable oil and dairy price indices, while those of sugar and meat increased.

» The **FAO Cereal Price Index** averaged 138.6 points in March, down 8.2 points (5.6 percent) from February and 31.6 points (18.6 percent) below its one year ago. This month's decrease reflects a fall in international prices of all major cereals. International wheat prices fell the most, by 7.1 percent, driven by ample global supplies and strong competition among exporters. The extension of the Black Sea Grain Initiative, allowing Ukraine to continue to export from its Black

Sea ports, also contributed to the decline. Higher estimates for Australia's production, along with improved crop conditions in the European Union this month, boosted the global supply outlook further. Strong competition from the Russian Federation, where high supplies continue to support competitive prices, also sustained the downward pressure on markets. World maize prices also fell, by 4.6 percent, in March, pressured by seasonal availability from harvests in South America, expectations of a record output in Brazil, and the extension of the Black Sea Grain Initiative. Among other coarse grains, world prices of barley and sorghum declined by 6.7 percent and 5.7 percent, respectively, influenced by spillover from weakness in international maize and wheat markets. International rice prices eased by 3.2 percent in March, weighed by ongoing or imminent harvests in major exporting countries, including India, Viet Nam and Thailand.

» The **FAO Vegetable Oil Price Index** averaged 131.8 points in March, down 4.1 points (3.0 percent) from February and standing as much as 47.7 percent below its level a year ago. The decrease in the index was the net result of lower soy, rapeseed and sunflower oil quotations more than offsetting higher world palm oil prices. After falling for three consecutive months, international palm oil prices rebounded in March. Besides lower output levels in Southeast Asia due to unfavourable weather and floodings in some growing regions, palm oil prices received further support from limited global exportable supplies amid temporary export restrictions imposed by Indonesia. By contrast, world soyoil prices continued to fall, following the trend of lower international soybean quotations. In the meantime, rapeseed and sunflower oil prices also kept declining, underpinned by, respectively, ample world supplies and subdued global import demand.

» The **FAO Dairy Price Index** averaged 130.3 points in March, down 1.1 points (0.8 percent) from February and standing 15.6 points (10.7 percent) below its level in the corresponding month a year ago. The decline in March was driven by lower price quotations for cheese and milk powders, while butter prices increased. The decline in the international price quotations for cheese was underpinned by slower purchases by most leading importers in Asia amid increased export availabilities, including inventories, in leading exporters. Milk powder prices fell for the ninth consecutive month, primarily reflecting sluggish import demand, especially for near-term deliveries, and seasonally rising milk production in Western Europe. By contrast, butter prices increased due to solid import demand, especially from North and Southeast Asian countries, for supplies from Oceania, where seasonally falling milk production tracked slightly below trend levels.

» The **FAO Meat Price Index*** averaged 113.0 points in March, slightly up (0.9 points and 0.8 percent) from February but down 6.3 points (5.3 percent) from one year ago. In March, price quotations for bovine meat increased, influenced by rising internal prices in the United States of America, where cattle supply is expected to be lower in the months ahead. Pig meat prices increased slightly, mainly due to higher prices in Europe on the continued supply limitations and increased pre-Easter demand. By contrast, poultry meat prices fell for the ninth successive month on subdued global import demand, despite supply challenges amid widespread avian influenza outbreaks in several large exporting countries. Ovine meat prices also averaged lower, reflecting a downward adjustment from the high prices registered in February, driven by increased pre-Easter demand and the impact of exchange rate movements.

» The **FAO Sugar Price Index** averaged 127.0 points in March, up 1.8 points (1.5 percent) from February, marking the second consecutive monthly increase and reaching its highest level since October 2016. The increase in prices mostly resulted from concerns over lower global availabilities of sugar in the 2022/23 season, following declining production prospects in India, Thailand and China. However, the positive outlook for the sugarcane crops in Brazil, about to be harvested, limited the upward pressure on world sugar prices. The decline in international crude oil prices, encouraging a greater use of sugarcane to produce sugar in Brazil, coupled with the weakening of the Brazilian real against the United States dollar, contributed to limiting the month-on-month increase in world sugar prices.

** Unlike for other commodity groups, most prices utilized in the calculation of the FAO Meat Price Index are not available when the FAO Food Price Index is computed and published; therefore, the value of the Meat Price Index for the most recent months is derived from a mixture of projected and observed prices. This can, at times, require significant revisions in the final value of the FAO Meat Price Index which could in turn influence the value of the FAO Food Price Index.*

To access benchmark export quotations of various foodstuffs and national retail/wholesale prices of foods please visit FAO's Food Price Monitoring and Analysis (FPMA) Tool

FAO food price index

		Food Price Index [1]	Meat [2]	Dairy [3]	Cereals [4]	Vegetables Oils [5]	Sugar [6]
2005		**67.4**	**71.8**	**77.2**	**60.8**	**64.4**	61.2
2006		**72.6**	**70.5**	**73.1**	**71.2**	**70.5**	91.4
2007		**94.3**	**76.9**	**122.4**	**100.9**	**107.3**	62.4
2008		**117.5**	**90.2**	**132.3**	**137.6**	**141.1**	79.2
2009		**91.7**	**81.2**	**91.4**	**97.2**	**94.4**	112.2
2010		**106.7**	**91.0**	**111.9**	**107.5**	**122.0**	131.7
2011		**131.9**	**105.3**	**129.9**	**142.2**	**156.5**	160.9
2012		**122.8**	**105.0**	**111.7**	**137.4**	**138.3**	133.3
2013		**120.1**	**106.2**	**140.9**	**129.1**	**119.5**	109.5
2014		**115.0**	**112.2**	**130.2**	**115.8**	**110.6**	105.2
2015		**93.0**	**96.7**	**87.1**	**95.9**	**89.9**	83.2
2016		**91.9**	**91.0**	**82.6**	**88.3**	**99.4**	111.6
2017		**98.0**	**97.7**	**108.0**	**91.0**	**101.9**	99.1
2018		**95.9**	**94.9**	**107.3**	**100.8**	**87.8**	77.4
2019		**95.1**	**100.0**	**102.8**	**96.6**	**83.2**	78.6
2020		**98.1**	**95.5**	**101.8**	**103.1**	**99.4**	79.5
2021		**125.7**	**107.7**	**119.1**	**131.2**	**164.9**	109.3
2022		**143.7**	**118.8**	**142.4**	**154.7**	**187.8**	114.5
2022	March	**159.7**	119.3	145.8	170.1	251.8	117.9
	April	**158.4**	121.9	146.7	169.7	237.5	121.5
	May	**158.1**	122.9	144.2	173.5	229.2	120.4
	June	**154.7**	125.9	150.2	166.3	211.8	117.3
	July	**140.6**	124.1	146.5	147.3	168.8	112.8
	August	**137.6**	121.1	143.4	145.6	163.3	110.5
	September	**136.0**	120.3	142.7	147.9	152.6	109.7
	October	**135.4**	116.8	139.3	152.3	151.3	108.6
	November	**134.7**	114.6	137.4	150.1	154.7	114.4
	December	**131.8**	112.4	138.2	147.3	144.6	117.2
2023	January	**130.3**	111.1	135.0	147.5	140.4	116.8
	February	**129.7**	112.1	131.3	146.7	135.9	125.2
	March	**126.9**	113.0	130.3	138.6	131.8	127.0

1 Food Price Index: Consists of the average of 5 commodity group price indices mentioned above, weighted with the average export shares of each of the groups for 2014-2016: in total 95 price quotations considered by FAO commodity specialists as representing the international prices of the food commodities are included in the overall index. Each sub-index is a weighted average of the price relatives of the commodities included in the group, with the base period price consisting of the averages for the years 2014-2016.

2 Meat Price Index: Based on 35 average export unit values/market prices of four meat types (bovine, pig, poultry and ovine) from 10 representative markets. Within each meat type, export unit values/prices are weighted by the trade shares of their respective markets, while the meat types are weighted by their average global export trade shares for 2014-2016. Quotations for the two most recent months may consist of estimates and be subject to revision.

3 Dairy Price Index: Computed using 8 price quotations of four dairy products (butter, cheese, SMP and WMP) from two representative markets. Within each dairy product, prices are weighted by the trade shares of their respective markets, while the dairy products are weighted by their average export shares for 2014-2016.

4 Cereals Price Index: Compiled using the International Grains Council (IGC) wheat price index (an average of 10 different wheat price quotations), the IGC maize price index (an average of 4 different maize price quotations), the IGC barley price index (an average of 5 different barley price quotations), 1 sorghum export quotation and the FAO All Rice Price Index. The FAO All Rice Price Index is based on 21 rice export quotations, combined into four groups consisting of Indica, Aromatic, Japonica and Glutinous rice varieties. Within each varietal group, a simple average of the relative prices of appropriate quotations is calculated; then the average relative prices of each of the four rice varieties are combined by weighting them with their (fixed) trade shares for 2014-2016. The Cereal Price Index combines the relative prices of sorghum, the IGC wheat, maize and barley price indices (re-based to 2014-2016) and the FAO All Rice Price Index by weighing each commodity with its average export trade share for 2014-2016.

5 Vegetable Oil Price Index: Consists of an average of 10 different oils weighted with average export trade shares of each oil product for 2014-2016.

6 Sugar Price Index: Index form of the International Sugar Agreement prices with 2014-2016 as base.

https://www.forbes.com/sites/chasewithorn/2023/04/04/forbes-37th-annual-worlds-billionaires-list-facts-and-figures-2023/?sh=471d6b0b77d7

Forbes' 37th Annual World's Billionaires List: Facts And Figures 2023

JIMMY BUFFETT BY GABE GINSBERG/GETTY IMAGES, DOMINIKA KULCZYK BY LEVON BISS FOR FORBES, JIMMY RANE BY MARY BETH KOETH FOR FORBES, CLIFF ASNESS BY GUERIN BLASK FOR FORBES

Chase Peterson-Withorn

Forbes Staff

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The planet's 2,640 billionaires are worth $12.2 trillion. Here's who's up, who's down and who's off the list.

The party is over for many of the world's richest people. For the second straight year, both the number of billionaires around the globe has declined–from 2,668 in 2022 to 2,640 this year–and total billionaire wealth has dropped, too–down by $500 billion, to $12.2 trillion–as turbulent times have hit both public and private markets.

Nearly half the planet's billionaires are poorer than they were a year ago. A total of 254 people have lost their billionaire status altogether–most notably crypto wunderkind-turned-fraud defendant Sam Bankman Fried, his cofounder and possible courtroom opponent Gary Wang, musician Kanye West, plus scores of tech tycoons and at least 19 founders of billion-dollar "unicorn" companies, including Alex Atallah and Devin Finzer of NFT marketplace OpenSea, and Henrique Dubugras and Pedro Franceschi of credit card fintech Brex.

One person dropped out of the billionaires club by choice: Yvon Chouinard, who founded outdoor clothing and gear maker Patagonia in 1973–and donated it to a trust and a nonprofit fighting environmental crises in September 2022, thus removing himself from the wealth rankings he had long criticized.

Not that the roaring 2020s have come to an end for all of the ultra-rich. Big gainers over the past 12 months include Spanish retailer Amancio Ortega (+$17.7 billion), Chinese e-commerce kingpin Colin Zheng Huang (+$18.9 billion) and Indonesian coal baron Low Tuck Kwong (+$21.8 billion).

No one had a better year than Bernard Arnault, who is No. 1 on the World's Billionaires list for the first time. Record sales and profits have driven shares of his luxury goods leviathan LVMH–which owns brands such Louis Vuitton, Christian Dior and Tiffany–to new heights. Arnault, who is worth an estimated $211 billion, added $53 billion to his fortune over the past year on the back of an 18% jump in LVMH stock, giving him a bigger gain than any other billionaire on the planet. This is the first time a French citizen has led the World's Billionaires ranking, which began in 1987.

Elon Musk, who held the top spot last year, has slipped to No. 2. Shares of his electric carmaker Tesla fell by nearly 50% following the April 2022 announcement of his $44 billion takeover of Twitter, partly due to investor fears about Musk adding yet another CEO job to his workload and concerns about the $23 billion of Tesla stock he sold to help finance the deal. Even with his private spaceflight firm SpaceX soaring to new valuation heights, Musk is still worth $39 billion less than a year ago.

Musk's loss in wealth is second only to that of Amazon founder Jeff Bezos, who's the world's third-richest person, worth $114 billion. He's $57 billion poorer than in 2022 thanks to a 38% decline in the e-commerce giant's stock. Larry Ellison (net worth: $107 billion), cofounder of software giant Oracle, takes the No 4. spot. Investing legend Warren Buffett ($106 billion) comes in at No. 5 worldwide.

Where Are The Billionaires

More members of the Forbes list are Americans than citizens of any other country or territory. The U.S. (735 billionaires) is followed by China (495), India (169) and Germany (126).

It was a good year for 150 fresh faces who made the billionaires list for the first time in 2023–a star-studded group that includes basketball legend LeBron James ($1 billion), golf great Tiger Woods ($1.1 billion) and fashion icon Tom Ford ($2.2 billion). Other notable new members of the three-comma club include Austria's Toto Wolff ($1 billion), a former racer who owns a stake in the Mercedes-AMG Petronas Formula 1 team; Ben Francis ($1.2 billion), the 30-year-old founder of U.K. athletic apparel company Gymshark; and Nithin and Nikhil Kamath ($2.7 billion and $1.1 billion, respectively), brothers who created Zerodha, India's largest stockbroker. A further 65 people who made a previous list but fell off before last year returned to the ranks in 2023.

The average age of the world's billionaires is 65, and the oldest billionaire is 101-year-old insurance magnate George Joseph ($1.3 billion). But there are plenty of youngsters who have gotten super rich super quickly, including 15 people who are 30 years old or younger. That includes Michal Strnad ($2 billion), 30, whose Czechoslovak Group, which he took over from his father in 2018, is one of the biggest suppliers of arms and ammunition to the Ukrainian army; Mark Mateschitz ($34.7 billion), 30, who is this year's richest newcomer after inheriting 49% of energy drink business Red Bull from his father, Dietrich Mateschitz (d. October 2022); and a couple of very well-to-do teenagers: Kim Jung-yang ($1.7 billion), a South Korean gaming heir, and Clemente Del Vecchio ($3.5 billion), an heir to Italy's Luxottica eyewear fortune. Del Vecchio is 18; Kim is believed to be 19, though Forbes could not verify her date of birth.

More billionaires hail from the United States than any other country, with 735 American citizens on the ranking, worth a total of $4.5 trillion. China (including Hong Kong and Macau) remains second, with 562 billionaires, followed by India (169), Germany (126) and Russia (105).

The wealthiest people on the planet are still overwhelmingly male. Forbes found 337 women on this year's ranking, up from 327 in 2022, good for about 13% of the list, up from 12%. The world's richest woman remains France's Francoise Bettencourt Meyers ($80.5 billion), whose grandfather founded beauty giant L'Oréal. There are 96 self-made women billionaires, the richest being Rafaela Aponte-Diamant ($31.2 billion), a Swiss entrepreneur who cofounded shipping giant MSC with her husband Gianluigi in 1970. She was previously listed together with Gianluigi, but is now listed separately as part of a broader overhaul of how we denote shared family wealth.

Overall, 69% of the World's Billionaires list is self-made–meaning they founded or cofounded their company or established their own fortune, rather than inheriting it–down from 71% last year.

A total of 33 billionaires died over the past year, including Red Bull cofounder Dietrich Mateschitz, Brazilian banking heir Lily Safra and real estate mogul Ted Lerner. (That does not include Intel cofounder Gordon Moore, who died in late March, after Forbes finalized the list, and thus appears on this year's ranking.)

For a list of the 25 richest people in the world, see here. For the full list of the world's 2,640 billionaires, see here.

https://www.forbes.com/sites/gigizamora/2023/04/04/new-billionaires-2023-jimmy-buffett-lebron-james-and-148-others-join-the-ranks-this-year/?sh=28f4989324d2

New Billionaires 2023: Jimmy Buffett, LeBron James And 148 Others Join The Ranks This Year

Jimmy Buffett, LeBron James, Ben Francis, David Tran ILLUSTRATION BY GEOFF KIM FOR FORBES; PHOTOS BY: JIMMY BUFFETT: GABE GINSBERG/GETTY IMAGES; LEBRON JAMES: KEVIN WINTER/GETTY IMAGES; BEN FRANCIS: LEVON BISS FOR FORBES; DAVID TRAN: ANNE CUSACK/LOS ANGELES TIMES/GETTY IMAGES

Gigi Zamora

Contributor

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It was a down year for many billionaires, but these 150 new faces beat the odds.

Bear markets, interest hikes and flailing tech stocks have put the skids on the pandemic-fueled era of record billionaire wealth. This year, Forbes counted 2,640 people on the annual World's Billionaires List–28 fewer than last year and 115 fewer than in 2021. But it wasn't a bad year for everyone. In fact, Forbes found 150 new members that joined the ten-figure ranks this year.

Together, these 150 markets-defying new billionaires are worth $344 billion. They got rich in everything from finance and fitness gear to Formula 1 and fashion.

The most famous newcomers include some of the world's most famous faces. Musician Jimmy Buffett has made a $1 billion fortune turning his carefree, island vibe into a lucrative branding business that has stamped the Margaritaville name on restaurants, hotels and casinos. Tom Ford joined the list after selling his clothing, fragrance, cosmetics and skin care business to Estée Lauder for $2.8 billion in November. And Tiger Woods (net worth: $1.1 billion) and LeBron James ($1 billion) have joined the ranks as the only two active athletes who are billionaires after turning their massive sports earnings and endorsement income into ten-digit fortunes through savvy business moves.

The richest newcomer is 30-year-old Mark Mateschitz, worth an estimated $34.7 billion. He's the wealthiest person in Austria and 37th in the world after inheriting 49% of energy drink giant Red Bull after his father, cofounder Dietrich Mateschitz, died in October. The richest woman newcomer is Rohiqa Cyrus Mistry, the widow of Cyrus Mistry, the former chairman of Indian conglomerate Tata Sons, who died in a car crash in September. She is worth an estimated $7 billion. Overall, just 27 of the 150 new members of the billionaire's list are women.

The youngest new billionaires are Clemente Del Vecchio–who, along with his six siblings and stepmother, inherited a stake in eyewear giant Luxottica after his father, Leonardo Del Vecchio, died in June 2022–and Kim Jung-youn, a South Korean heir to the fortune behind game maker Nexon, founded by her father Kim Jung-ju, who died in February 2022. Del Vecchio turns 19 in May; Kim is believed to be 19, though Forbes has not been able to confirm her age.

Despite these notable heirs, most of this year's newcomers–92 in total–are actually self-made, meaning they created the business that made them rich, rather than inheriting it.

The United States added the most new billionaires to the ranks this year–by far. A total of 51 Americans joined the list in 2023, the richest being grocery and warehouse automation tycoon Rick Cohen (estimated net worth: $9.6 billion); Arthur Dantchik ($7.2 billion), cofounder of trading firm Susquehanna International Group; and real estate magnate Robert Faith ($5.2 billion).

China and India added the second most people, with 16 apiece. Notable new Chinese billionaires include Fan Daidi ($3.5 billion), cofounder of skincare product supplier Giant Biogene Holding; Xu Jiangnan ($1.1 billion), chairman of vitamin supplier Jiangxi Tianxin Pharmaceuticals; and Xie Bingzheng ($1 billion), founder of golf apparel brand Biem.L.Fdlkk.

New Indian listmakers include Ashwin Desai ($1.2 billion), founder of specialty chemicals maker Aether, which raised $103 million in its public offering in 2022; Abhay Soi ($1.2 billion), chairman of Max Healthcare Institute, India's second-largest listed hospital chain by revenue; and Manohar Lal Agarwal ($1 billion), who runs Delhi-based Haldiram Snacks.

In terms of what made them rich, the finance sector has once again minted the most new billionaires, with 24 fresh faces this year, including Nithin and Nikhil Kamath, who cofounded online discount brokerage Zerodha in 2010. The company is now India's largest stockbroker, with nearly 6.5 million active customers. The brothers are worth an estimated $2.7 and $1.1 billion, respectively. Also new: Rajiv Jain ($2 billion)—who runs Florida-based asset management firm GQG Partners, which invested in India's embattled Adani Group in March–and Hayes Barnard ($3.7 billion), who finances 26% of all U.S home solar installations through his GoodLeap app, which provides loans to homeowners for solar panels, home batteries and other sustainable improvements.

The fashion and retail world added the second-most newcomers, as consumers kept buying products despite rising inflation and recession fears. Ben Francis ($1.2 billion), the 30-year-old behind Gymshark, joins the ranks. He founded the $500 million (sales) athleisure company in 2012, at age 19, from his parents' garage. David Tran ($1 billion), a Vietnamese refugee who started selling hot sauce in Los Angeles in 1980, is also new after decades of building his Sriracha sauce into a household staple.

Manufacturing moguls make up the third-biggest field for new billionaires, thanks to the addition of people such as Hungary's Zsolt Felcsuti ($1.2 billion)–whose MPF Industry makes machine tools and construction materials in Europe–and the Czech Republic's Michal Strnad ($2 billion), who runs Czechoslovak Group, one of the largest suppliers of ammunition and artillery to the Ukrainian army.

Even with the tech world reeling, 14 people were able to join the three-comma club thanks to technology businesses. Palmer Luckey ($1.7 billion) founded VR headset maker Oculus and sold it to Facebook for $2 billion in 2014. His defense tech startup, Anduril, raised $1.5 billion at an $8.5 billion valuation in December. Also new from tech: Conrad Parker ($1.8 billion), who founded human resources startup Rippling, which was valued by private investors at $11.3 billion in 2022.

There was a tie for fifth place, with both real estate and sports adding 12 billionaires. New property tycoons include Annette Lerner ($6.5 billion), widow of Washington, D.C.-area developer Ted Lerner (d. February 2023), and Michael Kum ($1 billion), whose hospitality empire includes nine hotels across Europe and Asia. In addition to Woods and James, new sports billionaires include Mercedes AMG-Petronas Formula 1 team owner Toto Wolff ($1 billion); Hal Steinbrenner, Jennifer Steinbrenner Swindal and Jessica Steinbrenner ($1.3 billion each), children of late New York Yankees owner George Steinbrenner (d. 2010); and Amy Adams Strunk ($1.7 billion), who wrestled control of the Tennessee Titans in 2015, two years after the death of her father, Bud Adams, and has since worked to turn the team around. "I think if he was looking down now," she told Forbes in September, "he'd be super proud."

https://www.forbes.com/sites/phoebeliu/2023/04/04/the-worlds-youngest-billionaires-2023/?sh=1c5094c37575

The World's Youngest Billionaires 2023

Ben Francis, Palmer Luckey, Ryan Breslow ILLUSTRATION BY YUNJIA YUAN FOR FORBES; PHOTOS BY: BEN FRANCIS: LEVON BISS FOR FORBES; PALMER LUCKEY: TIM TADDER FOR FORBES; RYAN BRESLOW: AARON KOTOWSKI FOR FORBES

Phoebe Liu

Forbes Staff

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These young billionaires, including a couple very well-to-do teenagers, got rich quick.

The average billionaire is 65 years old, according to Forbes' latest ranking of the planet's richest people, and the eldest is insurance tycoon George Joseph, who's 101. But old age is not a requirement for amassing great wealth. In fact, there are 15 people around the globe who boast a three-comma fortune despite being 30 years old or younger.

The youngest of this mostly lucky bunch are Clemente Del Vecchio and Kim Jung-youn, neither of whom have hit their 20s yet. Both teens' successful fathers, Leonardo Del Vecchio and Kim Jung-ju, died in 2022 and left them stakes in their respective companies. Del Vecchio, who turns 19 in May, gets his fortune from a share of his father's holding company Delfin, which has a stake in eyewear giant Luxottica (known for brands such as Ray-Ban and Sunglass Hut). Not much is known about the young heir, whose six siblings (two of whom are also under 30) and stepmother also make their debut. Even less is known about Kim, whose fortune lies in Japanese-South Korean online gaming giant Nexon. She and her sister Jung-min are believed to be 19 and 21, respectively, but a representative for the company declined to comment on their ages, and Forbes could not find any primary source confirming their dates of birth.

The richest 30-and-under—by far—is Red Bull heir Mark Mateschitz, whose father Dietrich died in October 2022. With an estimated $34.7 billion fortune, he's worth nearly ten times more than the next-richest young billionaires, Clemente Del Vecchio and his two siblings. Mateschitz is the richest of all 150 newcomers to the 2023 billionaires list.

Overall, 11 of these 15 inherited their fortunes. Just four are self-made entrepreneurs. That includes Ben Francis, who founded activewear maker Gymshark in 2012, when he was 19, and Palmer Luckey, who sold his first startup to Facebook and is back with a successful defense tech business. Both are new members of the billionaire ranks.

There were 15 total 30-and-unders last year, too—but the names have changed considerably thanks to nine newcomers and eight people who dropped out of the billionaire ranks completely, including Brex cofounders Henrique Dubugras and Pedro Franceschi, and DoorDash cofounders Stanley Tang and Andy Fang. They still have plenty of time to make a return—something that will be much more difficult for FTX cofounder Gary Wang, 29, who pleaded guilty to fraud charges in December.

As a group, these 15 youngsters are worth $64 billion in total, $10 billion more than in 2022, largely thanks to Mateschitz's massive inheritance. Still, accumulating so much money so young remains a rare feat: Together, this exclusive group represents just 0.6% of the world's 2,640 billionaires.

Here are the 15 members of the World's Billionaires list who are 30 and under, ranked from oldest to youngest:

(NET WORTHS ARE AS OF MARCH 10, 2023)

Ben Francis

Age: 30 | Citizenship: U.K. | Source of Wealth: Gymshark | Net Worth: $1.2 Billion

Francis was juggling college classes and delivering pizzas when he founded activewear maker Gymshark in 2012, at age 19. He sewed the first pieces together in his parents' Birmingham, U.K. garage and guerilla-marketed his way into the workout gear scene, getting weightlifting influencers to pump up his brand. Gymshark did more than $500 million in 2021 sales. Francis sold 21% of the business to private equity firm General Atlantic in 2020 for $300 million but still owns 70%. The unicorn's most recent move? A brick-and-mortar store: Gymshark London opened in 2022 and offers workout classes and the brand's trademark apparel.

Palmer Luckey

Age: 30 | Citizenship: U.S. | Source of Wealth: Virtual reality, defense contracting | Net Worth: $1.7 Billion

The former teen whiz founded VR headset-maker Oculus and sold it to Facebook for $2 billion in 2014, then began building weapons. His defense tech startup Anduril, which has systems on the ground in Ukraine and which aims to build drones and surveillance products for the DoD, raised $1.5 billion at an $8.5 billion valuation in December.

Mark Mateschitz

Age: 30 | Citizenship: Austria | Source of Wealth: Red Bull | Net Worth: $34.7 Billion

He inherited 49% of energy drink giant Red Bull after his father, cofounder Dietrich Mateschitz, died in October. Soon after, he resigned from his role as its head of organics to "concentrate on his role as shareholder."

Michal Strnad

Age: 30 | Citizenship: Czech Republic | Source of Wealth: Weapons | Net Worth: $2 Billion

His Czechoslovak Group is one of the biggest suppliers of ammunition, ground equipment and artillery equipment to the Ukrainian army, which has helped double sales to $620 million in the first half of 2022. He took full control of the business, founded by his father, in 2018.

Gustav Magnar Witzoe

Age: 29 | Citizenship: Norway | Source of Wealth: Fish farming | Net Worth: $2.7 Billion

He owns nearly half of salmon farming company SalMar ASA, inherited from his father Gustav Witzoe, but does not have an operating role. Instead, he's casting his line as a real estate and tech startup investor.

Ryan Breslow

Age: 28 | Citizenship: U.S. | Source of Wealth: E-commerce | Net Worth: $1.1 Billion

The Stanford dropout founded three startups, four years apart: Bolt, which rocketed him to fame, Eco and Love, his 2022 venture. They aim to remove middlemen in payments processing, personal finance and pharmaceuticals, respectively. A fourth, nascent crypto project Movement DAO, was set to launch this year but instead led to a legal battle against a rogue engineer who allegedly stole two-thirds of its seed funding. The engineer's attorney dismissed the allegations as "frivolous."

Leonardo Maria Del Vecchio

Age: 27 | Citizenship: Italy | Source of Wealth: Luxottica | Net Worth: $3.5 Billion

Eyewear kingpin Leonardo Del Vecchio was Italy's second-richest person when he died in June 2022, leaving 12.5% of his fortune—mostly shares of publicly traded Essilor-Luxottica, the world's largest eyewear firm—to his widow Nicoletta Zampillo, six children and one stepchild. Leonardo Maria is his father's only child with Zampillo and heads strategy for Luxottica.

Katharina Andresen

Age: 27 | Citizenship: Norway | Source of Wealth: Investments | Net Worth: $1.5 Billion

Along with her younger sister Alexandra, Katharina is a sixth-generation owner of Ferd, the more than $4 billion (equity) investment company their father, Johan, runs. Katharina is a sustainability officer at an Oslo-based construction firm.

Wang Zelong

Age: 26 | Citizenship: China | Source of Wealth: Pigment production | Net Worth: $1.4 Billion

Wang's fortune comes from a stake in Shenzhen-listed traded company CNNC Hua Yuan Titanium Dioxide—a chemical used to create white pigment for things like paint and paper.

Alexandra Andresen

Age: 26 | Citizenship: Norway | Source of Wealth: Investments | Net Worth: $1.5 Billion

Alexandra and sister Katharina own a 42% stake each in investment firm Ferd. Instead of holding the reins at Ferd, she holds actual reins: Alexandra is a three-time junior Norwegian champion in dressage riding and helms a horse breeding and training facility.

Luca Del Vecchio

Age: 21 | Citizenship: Italy | Source of Wealth: Luxottica | Net Worth: $3.5 Billion

One of two children between Leonardo Del Vecchio and Sabrina Grossi, a former Luxottica board member and the company's former head of investor relations, Luca is not known to have a role at the eyewear company.

Kim Jung-min

Age: 21 | Citizenship: South Korea | Source of Wealth: Online gaming | Net Worth: $1.7 Billion

Along with her younger sister, Kim Jung-youn, Jung-min inherited around a third of their family's assets—including a 15% stake each in game maker Nexon—after their father Kim Jung-ju died in February 2022. Jung-ju founded Nexon, known for its massively multiplayer online games Kingdom of the Winds and MapleStory, in 1994. Forbes does not know her precise age.

Kevin David Lehmann

Age: 20 | Citizenship: Germany | Source of Wealth: Drugstores | Net Worth: $2.3 Billion

He inherited 50% of German drugstore chain dm-drogerie markt from his father at age 14. It remained under a trusteeship until his 18th birthday, when he became a billionaire. Neither Lehmann nor his father is operationally involved in the $14 billion (revenue) company.

Kim Jung-min

Age: 19 | Citizenship: South Korea | Source of Wealth: Online gaming | Net Worth: $1.7 Billion

One of two teenage billionaires on this year's rankings, Kim Jung-youn inherited a stake in her late father's holding company, which in turn holds approximately half of online gaming giant Nexon. Both Kim sisters keep a low profile and are not known to have an active role in the company. Forbes does not know her precise age.

Clemente Del Vecchio

Age: 18 | Citizenship: Italy | Source of Wealth: Luxottica | Net Worth: $3.5 Billion

The world got a new teenage billionaire when Leonardo Del Vecchio died in June 2022. Clemente, the youngest Del Vecchio heir, is not known to have a role at Luxottica, which owns Sunglass Hut, Ray-Ban and Oakley, among others.

https://www.forbes.com/sites/gabrielalopezgomes/2023/04/04/the-worlds-richest-women-billionaires-2023/?sh=7272bdb11e21

The World's Richest Women Billionaires 2023

Françoise Bettencourt Meyers, Diane Hendricks, Alice Walton, MacKenzie Scott ILLUSTRATION BY FORBES; PHOTOS BY: FRANCOISE BETTENCOURT MEYERS: FRANCOIS GUILLOT/AFP/GETTY IMAGES; DIANE HENDRICKS: GABRIELA HASBUN FOR FORBES; ALICE WALTON: STEFANIE KEENAN/THE J PAUL GETTY TRUST/GETTY IMAGES; MACKENZIE SCOTT: TONI ANNE BARSON/GETTY IMAGES; SHOPPING CART: FCAFOTODIGITAL/GETTY IMAGES; HOUSE: MARJE/GETTY IMAGES

Gabriela Lopez Gomes

Contributor

I'm a wealth intern covering the world's richest people for Forbes.

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For the first time in three years, a self-made woman earns a spot among the top 10.

There are 337 women billionaires around the globe, according to Forbes' latest ranking of the planet's richest people, up from 327 in 2022. And they now command a slightly larger sliver of the billionaire population than a year ago (13%, compared to 12% in 2022).

The richest woman on the planet for the third year straight is L'Oréal heiress Françoise Bettencourt Meyers, who is worth $80.5 billion, a gain of nearly $5 billion from 2022. Meanwhile, MacKenzie Scott, whose fortune dropped $19.2 billion in the past year, falls five spots to No. 9, as shares of Amazon–which she got in her 2019 divorce from Jeff Bezos–tumbled. Scott's enormous charitable giving–totaling more than $14 billion–has pushed her further down the list as well.

Abigail Johnson (estimated net worth: $21.6 billion), who heads mutual fund giant Fidelity, slips out of the top 10 this year, despite slightly adding to her fortune and moving three spots up the worldwide ranks. Taking her spot is Rafaela Aponte-Diamant, who is both the 6th richest woman in the world, with a net worth of $31.2 billion, and the highest ranked self-made female ever, at No. 43 on the global ranks. She splits ownership of Switzerland-based MSC, the world's largest shipping line, with her husband Gianluigi. The two entered the shipping industry together in 1970, when they purchased a ship with a $200,000 loan. It's still a family-run business: Gianluigi is executive chairman, their son Diego is president and Rafaela is responsible for decorating ships for the firm's MSC Cruises division. Forbes previously listed the couple together; this year we split them into separate listings.

Aponte-Diamont is one of just 96 self-made women on the ranking. Nearly three-quarters of all women billionaires inherited their fortunes. Others among the 28% who are considered self-made include Rihanna ($1.4 billion) and Kim Kardashian West ($1.2 billion).

The wealthiest woman newcomer is Rohiqa Cyrus Mistry ($7 billion), the widow of Cyrus Mistry, the former chairman of Indian conglomerate Tata Sons, who died in a car crash in September. Other notable newcomers include Annette Lerner ($6.5 billion), the widow of real estate developer and Washington Nationals baseball team owner Ted Lerner (d. February 2023) and Amy Adams Strunk ($1.7 billion), owner of the Tennessee Titans football team.

Here are the top 10 richest women in the world:

(NET WORTHS ARE AS OF MARCH 10, 2023)

#1. Françoise Bettencourt Meyers & family

Net Worth: $80.5 Billion | Age: 69 | Source of wealth: L'Oréal | Citizenship: France

The L'Oréal heir keeps the title of the world's richest woman, for the third year in a row, thanks to a 12% rise in the cosmetics giant's stock since last year. Besides pledging $230 million together with L'Oréal for Notre Dame Cathedral's reconstruction, she recently hired a managing director for her investment firm, Téthys Invest, where she backs projects like French private hospital operator Elsan.

#2. Julia Koch & family

Net Worth: $59 Billion | Age: 60 | Source of wealth: Koch Industries | Citizenship: U.S.

The widow of David Koch (d. 2019) owns 42% of conglomerate Koch Industries alongside her three adult children. Koch oversees the David H. Koch Foundation, through which she and her late husband have donated approximately $1.8 billion to causes like poverty, addiction-related issues, criminal justice and education. In January, she was appointed as a trustee of the Metropolitan Museum of Art.

#3. Alice Walton

Net Worth: $56.7 Billion | Age: 73 | Source of wealth: Walmart | Citizenship: U.S.

She inherited a stake in Walmart from her father, cofounder Sam Walton (d. 1992). She's well known in the family's home state of Arkansas for opening the Crystal Bridges Museum of American Art, in their hometown of Bentonville, featuring works from the likes of Warhol, Rockwell and Rothko.

#4. Jacqueline Mars

Net Worth: $38.3 Billion | Age: 83 | Source of wealth: Candy, pet food | Citizenship: U.S.

Mars and her brother, John Mars, each own an estimated one-third of candy and pet food multinational giant Mars Inc., which produces candy staples like M&M's, Hubba Bubba and Snickers. The company was founded by her grandfather, Frank C. Mars, in 1911.

#5. Miriam Adelson & family

Net Worth: $35 Billion | Age: 77 | Source of wealth: Casinos | Citizenship: U.S.

Adelson is the majority shareholder of Las Vegas Sands, the world's largest casino operator. She inherited the stake after her husband, longtime Republican Party kingmaker Sheldon Adelson, died in 2021. A medical doctor, she has given nearly $1 billion over her lifetime to fund medical research and drug discovery, according to Forbes estimates.

#6. Rafaela Aponte-Diamant

Net Worth: $31.2 Billion | Age: 78 | Source of wealth: Shipping | Citizenship: Italy

Aponte-Diamant joins the top 10 richest women in the world this year, as Forbes revamped its valuation of MSC, one of the world's largest shipping companies, which she cofounded with her husband Guianluigi in 1970 with one ship. Rafaela and Gianluigi were previously listed together; in 2023, Forbes listed them as individual billionaires as part of a broad overhaul of how we categorize shared wealth.

#7. Susanne Klatten

Net Worth: $27.4 Billion | Age: 60 | Source of wealth: BMW, pharmaceuticals | Citizenship: Germany

Susanne Klatten owns 19% of German automaker BMW. Her mother was the third wife of legendary industrialist Herbert Quandt, who guided BMW to preeminence in the luxury market. Klatten, an economist with an M.B.A., also owns Altana, a chemicals company founded by her grandfather.

#8. Gina Rinehart

Net Worth: $27 Billion | Age: 69 | Source of wealth: Mining | Citizenship: Australia

The Australian magnate chairs mining and agriculture company Hancock Prospecting Group. She inherited the business from her father Lang Hancock (d. 1992). Her fortune has dropped by 11% since March in 2022, largely due to falling iron ore prices, but she remains the wealthiest person in Australia.

#9. MacKenzie Scott

Net Worth: $24.4 Billion | Age: 52 | Source of wealth: Amazon | Citizenship: U.S.

She inherited 4% of Amazon following her 2019 divorce from Jeff Bezos–and has set about giving it away at a breakneck pace. So far she has donated more than $14 billion to some 1,600 charities through her Yield Giving organization.

#10. Iris Fontbona & family

Net Worth: $23.1 Billion | Age: 80 | Source of wealth: Mining | Citizenship: Chile

The wealthiest woman in Latin America, Fontbona is the widow of Chilean tycoon Andrónico Luksic (d. 2005), who built an empire in mining and beverages. Together with her two sons, she owns and chairs Antofogasta plc, a Chile-based mining company specializing in copper production, and holds a significant stake in Quiñenco, a publicly traded holding company that does business in manufacturing, banking and beverages.

https://www.forbes.com/sites/richardjchang/2023/04/04/kanye-west-sam-bankman-fried-yvon-chouinard-heres-who-fell-off-forbes-2023-billionaires-list/?sh=58d4371f3660

Kanye West, Sam Bankman-Fried, Yvon Chouinard: Here's Who Fell Off Forbes' 2023 Billionaires List

Kanye West, Niraj Shah, Sam Bankman-Fried, Yvon Chouinard ILLUSTRATION BY FORBES; PHOTOS BY: KANYE WEST: ASHLEY LANDIS/AP; NIRAJ SHAH: PATRICK T. FALLON/BLOOMBERG; SAM BANKMAN FRIED: GUERIN BLASK FOR FORBES; YVON CHOUINARD: FABIAN MARELLI/NEWSCOM

Richard J. Chang

Forbes Staff

Apr 4, 2023,06:00am EDT

Many of the planet's billionaires are poorer this year. Some lost their tenth digit entirely.

Itwas another bad year for billionaires, with the war in Ukraine raging, inflation surging and the crypto bubble bursting. Nearly half the planet's 2,640 billionaires are poorer than they were in 2022—but some fared even worse: 254 people dropped off the list completely.

Those who lost their spot on Forbes' World's Billionaires ranking in 2023 include a couple famous faces–Kanye West and Sam Bankman-Fried–plus several moguls behind famous brands, such as Yvon Chouinard, founder of outerwear maker Patagonia; Ernest Garcia III, founder of used car seller Carvana; and Bruce Nordstrom, the retired longtime head of the department store chain. An additional 33 members of the 2022 list died.

Tech tycoons were hit the hardest, with 52 seeing their net worths fall under $1 billion over the past year. This includes Alex Atallah and Devin Finzer, cofounders of NFT marketplace OpenSea, and Andy Fang and Stanley Tang, cofounders of food delivery app DoorDash. Meanwhile 44 billionaires from the world of finance and investments fell off this year, including venture capitalist and early crypto backer Tim Draper and Capital One CEO Richard Fairbank. And 35 manufacturing moguls dropped from the ranks, including Antoine Rabie and Ronnen Harary of Spin Master Corp., known for kids' toys like Hatchimals, Air Hogs and Paw Patrol.

China (including Hong Kong) had the most drop-offs, with 80, including Xiong Shaoming, cofounder of vaping device supplier Smoore International and David Xueling Li, chairman of live-streaming social media platform JOYY. The United States, which boasts the most billionaires in the world, had the second-highest number of people fall from the ranks, with 47, followed by India (23) and South Korea (15).

A total of 74 people made the billionaires list in 2022 for the first time–only to fall off in 2023. These one-hit wonders include David Girouard, founder of fintech lender Upstart; synthetic diamond manufacturing mogul Shao Zengming and Indian pharmaceuticals patriarch Subba Rao Jasti.

Here are some of the highest-profile people who lost their three-comma status:

(NET WORTHS ARE AS OF MARCH 10, 2023)

Sam Bankman-Fried

Net worth: Less than $10 million (down from $24 billion) | Source of wealth: Cryptocurrency exchange | Citizenship: U.S.

The crypto wunderkind convinced customers, investors and, yes, Forbes that his FTX exchange was the future of crypto. His house of cards crumbled in late 2022, and now "SBF" faces federal fraud, money laundering and campaign finance violation charges (all of which he denies). He and cofounder Gary Wang–who pleaded guilty to fraud charges and is reportedly cooperating with authorities–are two of seven crypto investors to drop from the ranks this year.

Kanye West

Net worth: About $400 million (down from $2 billion) | Source of wealth: Music, sneakers | Citizenship: U.S.

"I can say antisemitic things and Adidas can't drop me," the musician bragged in October. The athleticwear giant did just that, canceling the Yeezy sneaking line in late October, dropping West, who goes by Ye, from the billionaire ranks.

Yvon Chouinard

Net worth: Less than $100 million (down from $1.2 billion) | Source of wealth: Patagonia | Citizenship: U.S.

Chouinard–who had long complained about making Forbes' wealth lists and once wrote that business "has to take the majority of the blame for being the enemy of nature"–gave up his spot in September, when he donated his outdoor

clothing and gear retailer, Patagonia, to a trust and a nonprofit fighting environmental crises. The business, which Chouinard founded in 1973, sets aside 1% of sales to finance environmental groups.

Zhao Weiguo

Net worth: Less than $100 million (down from $2.8 billion) | Source of wealth: IT products | Citizenship: China

Amid a broad investigation into its semiconductor industry, a Chinese regulator has charged the former chair of the government-backed semiconductor conglomerate Tsinghua Unigroup with corruption. A bankruptcy restructuring left Zhao, who was reported to have “disappeared” from public view last year, without any holdings in Tsinghua Unigroup’s companies. Zhao could not be reached for comment.

Henrique Dubugras

Pedro Franceschi

Net worth: About $900 million each (down from $1.5 billion) | Source of wealth: Fintech | Citizenship: Brazil

The startup funding frenzy has fizzled, hammering the valuations of unicorns–venture-backed companies worth $1 billion or more. In all, at least 51 unicorn founders are worth less than a year ago. At least 19 are no longer billionaires at all, including Dubugras and Franceschi, cofounders of credit card fintech Brex–now worth an estimated $6.4 billion, down from $12.3 billion in early 2022.

Niraj Shah

Steve Conine

Net worth: About $600 million each (down from $1.6 billion) | Source of wealth: Online retail | Citizenship: U.S.

Demand for sofas, beds and rugs from their online home goods retailer Wayfair has plummeted, sending shares–bid up 90% during the pandemic–down 75% since last year. In January, Shah (CEO and co-chairman) and Conine (co-chairman) announced Wayfair was cutting 10% of its workforce as part of a $1.4 billion cost-savings plan.

Alex Atallah and Devin Finzer

Net worth: Less than $600 million each (down from $2.2 billion) | Source of wealth: Online marketplace | Country: U.S.

The bubble for NFTs sold on their OpenSea marketplace has burst. Sales of the non-fungible tokens–computer files used to track ownership of unique digital assets including art and music–have plummeted, dropping the value of OpenSea from $13.3 billion to an estimated $3.1 billion. In July 2022, OpenSea laid off 20% of its staff.

Ernest Garcia III

Net worth: Less than $100 million (down from $3.2 billion) | Source of wealth: Used cars | Citizenship: U.S.

Carvana shares cratered by 94% since last year due to a slump in the used car market and growing investor concerns about Carvana's $5.6 billion debt pile. The company lost $2.9 billion in 2022.

ANGUS REID INSTITUTE

Canada's Non-Profit Foundation Committed to Independent Research

Tightening up, drawing down: Vast majority of Canadians making tough decisions to handle cost-of-living crisis

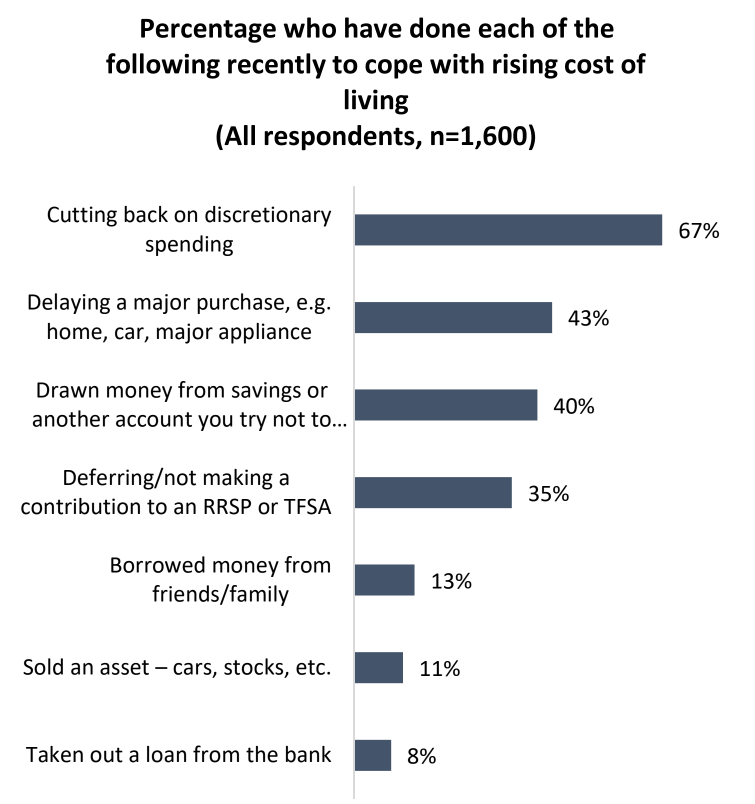
Two-in-five say they've taken money from savings or other accounts that they generally try to avoid

April 6, 2023 – More than a year into a stubborn and persistent cost-of-living crisis, a considerable number of Canadians have progressed from belt-tightening on spending to drawing on existing savings to make ends meet.

The latest data from the non-profit Angus Reid Institute finds two-thirds of Canadians reporting cutting back on discretionary spending in recent months – a number 14-points higher than reported around this time last year.

However, for millions, penny-pinching doesn't go far enough. Two-in-five (40%) say recent challenges have forced them to draw money from accounts that they try not to touch, and one-in-three (35%) say they deferred a contribution to their RRSP or TFSA.

For one-in-ten the situation has been so difficult they're either borrowing from friends and family (13%), selling assets (11%), or seeking out a bank loan (8%).



METHODOLOGY:

The Angus Reid Institute conducted an online survey from March 30-31, 2023, among a representative randomized sample of 1,600 Canadian adults who are members of Angus Reid Forum. For comparison purposes only, a probability sample of this size would carry a margin of error of +/- 2 percentage points, 19 times out of 20. Discrepancies in or between totals are due to rounding. The survey was self-commissioned and paid for by ARI. Detailed tables are found at the end of this release.

Little wonder then, that fully one-in-three (34%) Canadians say they're in either "bad" or "terrible" shape financially. This represents a six-point increase from last July. Those individuals continue to struggle with food costs, for which inflation remains significantly higher at approximately 10 per cent. Among those who say they are in "terrible shape" financially, nine-in-ten (94%) say it is difficult to feed their household. Four-in-five (80%) say this among the group who are in self-described "bad shape".

The federal government recently tabled a budget including policy measures, such as one-time grocery rebate, designed to alleviate the financial pressure that many are individuals and households are feeling. And while these moves may provide some relief to some households, persistent challenges remain, perhaps exacerbated for nearly half of Canadian workers (45%) who say they have not received additional compensation from their employer over the past 12 months.

CONTACT:
Shachi Kurl, President: 604.908.1693 shachi.kurl@angusreid.org @shachikurl
Dave Korzinski, Research Director: 250.899.0821 dave.korzinski@angusreid.org

More Key Findings:

- The percentage of Canadians saying they deferred contributing to an RRSP or TFSA recently has risen from 22 per cent in February 2022, to 26 per cent last September, to 35 per cent in this most recent data.
- Part-time workers are much less likely to have received additional compensation over the past year (35%) compared to those who work full-time (58%).
- More than half of Canadians whose household income is lower than $50,000 per year (54%) say they are in poor or terrible financial shape. The number saying this drops to one-third (33%) for household incomes between $50,000 and $99,999, and one-in-five (21%) for those in households earning $100,000 or more.

About ARI

*The **Angus Reid Institute (ARI)** was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research foundation established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.*

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- **Nearly half of workers didn't receive a raise last year**

Part One: Canadians' financial heath

One-third say they're in bad or terrible shape

The economic trials and tribulations of the last year for Canadians have been well documented. Inflation reached peaks in 2022 not seen since the 1980s, pressuring household budgets, especially when it came to groceries. The Bank of Canada raised interest rates from record lows to 4.5 per cent to help cool the economy and slow inflation, but in the process also increased the costs of mortgages, and subsequently renting.

Though two-thirds of Canadians describe themselves as in good or great shape financially, one-third (34%) say they are struggling. This is the highest level seen since Angus Reid Institute began asking this question near the onset of the COVID-19 pandemic. In April 2020, when many were out of work due to business closures to restrict the spread of the virus, one-quarter (27%) said they were in bad or terrible

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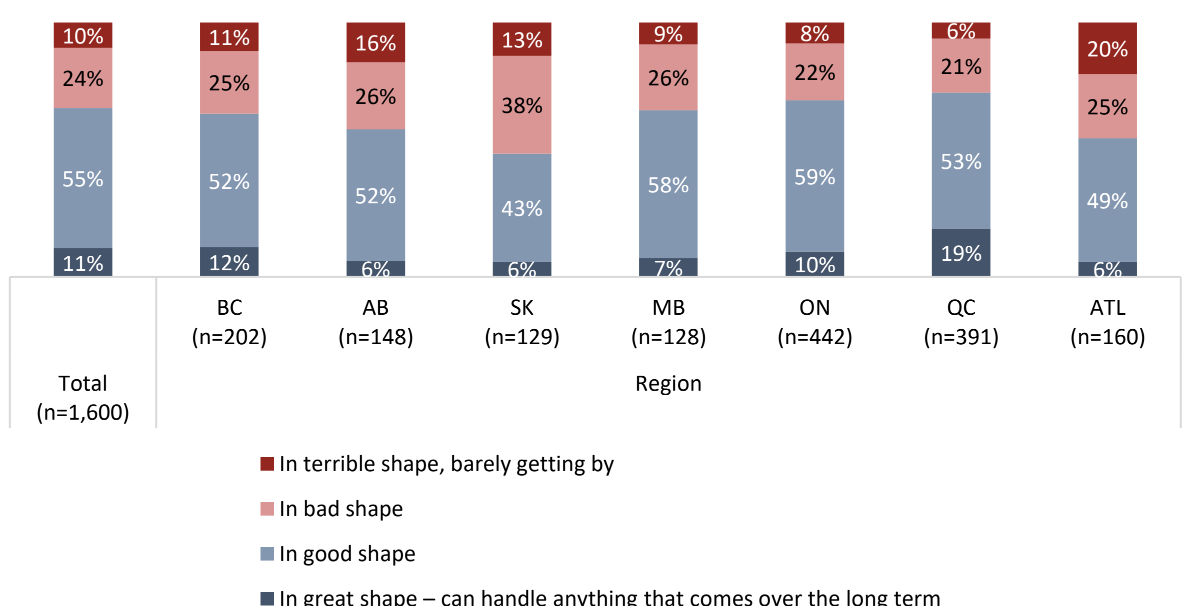
Dave Korzinski, Research Director: 250.899.0821 dave.korzinski@angusreid.org

shape financially. The fact that more describe themselves in bad shape financially now perhaps speaks to how challenging recent months have been for Canadians.

Financial struggles are not felt evenly across the country. Half (51%) of those in Saskatchewan describe themselves in bad shape, or worse, financially, the most in the country. Meanwhile, one-in-five (20%) in Atlantic Canada say they are barely getting by, twice the national average:



Income and age

Those with household incomes of less than $25,000 annually are much more likely than those in higher earning households to say they are in terrible shape. However, at least one-in-five in every income bracket except the highest one report they are in bad shape or worse financially:

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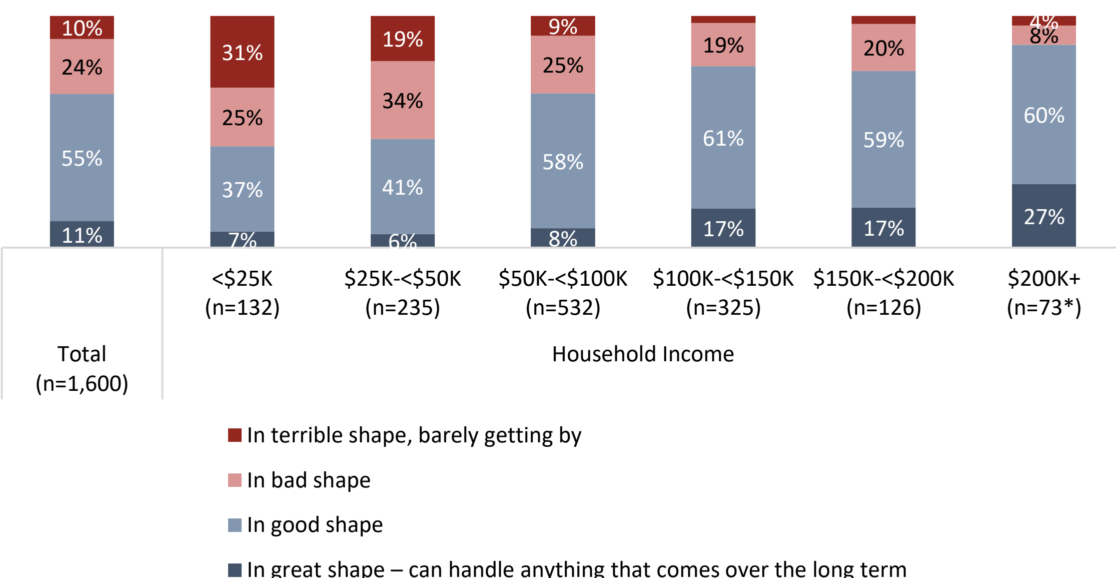
Shachi Kurl, President: 604.908.1693 shachi.kurl@angusreid.org **@shachikurl**
Dave Korzinski, Research Director: 250.899.0821 dave.korzinski@angusreid.org

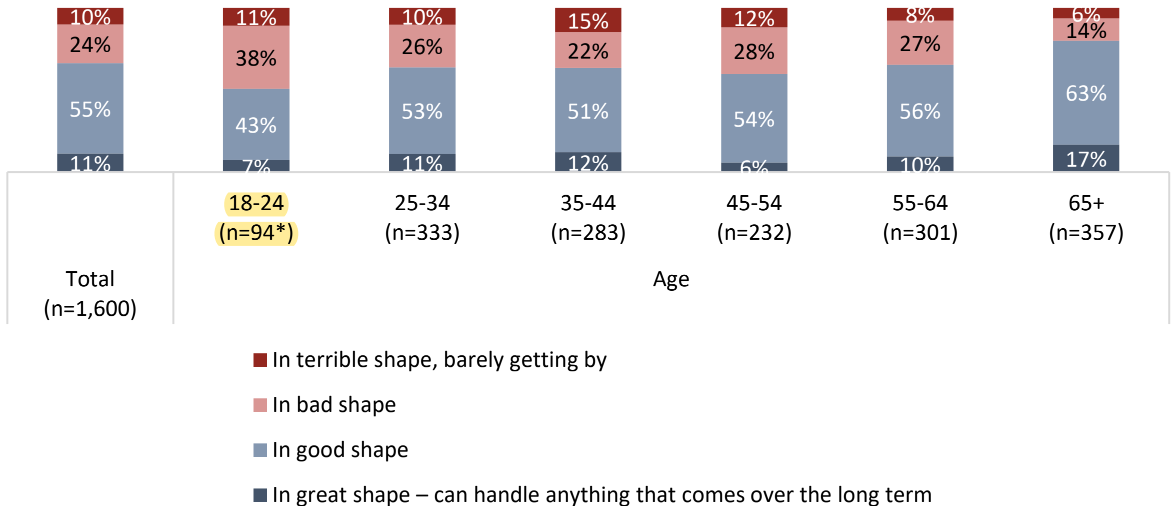
How are things going for you? Would you say financially you are:



**Smaller sample size, interpret with caution*

There are evidently many younger Canadians who are struggling to gain a foothold financially early in their working lives, or as they go through post-secondary education, as younger adults are more likely to report poor financial health than older ones. However, there are also many Canadians who would be later in the career who say they are struggling too. Two-in-five (40%) 45- to 54-year-olds report being in bad or worse shape financially, alongside more than one-third (35%) of those aged 55 to 64. Perhaps that's why many Canadians in that age range are delaying retirement.

How are things going for you? Would you say financially you are:



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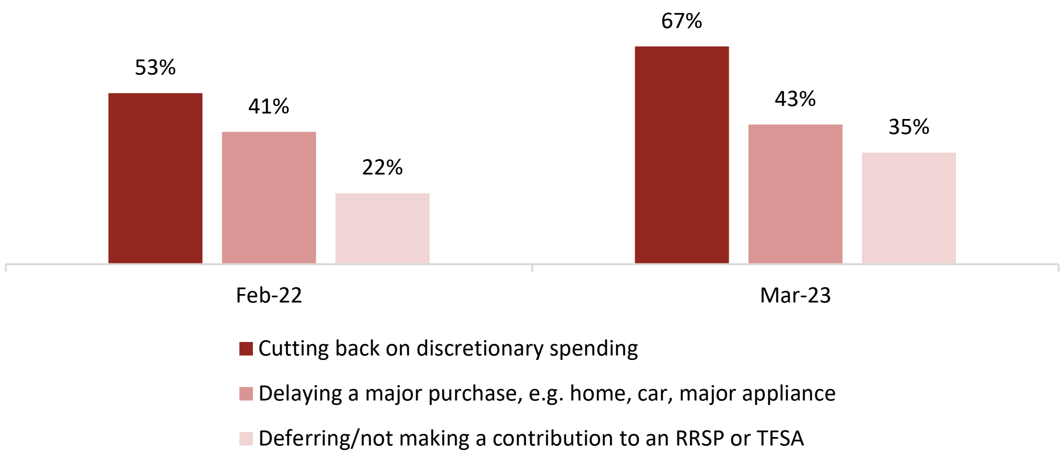
Dave Korzinski, Research Director: 250.899.0821 dave.korzinski@angusreid.org

Part Two: How Canadians are coping: cutting back, dipping into savings

The financial challenge of the last year has many Canadians adapting the way they spend. As one example, Restaurants Canada reports restaurants are seating fewer diners than they were prior to the pandemic, though traffic has rebounded from pandemic lows.

Two-thirds (67%) say they are cutting back on discretionary spending to save money, while two-in-five (43%) say they are delaying a major purchase. With the deadline passed to contribute to an RRSP for the 2022 tax year, one-third (35%) say they've deferred those sorts of saving contributions this year.

More Canadians report cutting back on discretionary spending than one year ago, and there appears to be more movement from Canadians away from contributing to their savings as inflation has persisted in recent months:



Those in Saskatchewan (79%) are the most likely to report spending less on discretionary items and activities. They are also the most likely to say they are delaying a major purchase at 55 per cent. Still, at least seven-in-ten in all provinces except Quebec are cutting the discretionary part of their budget:

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Shachi Kurl, President: 604.908.1693 shachi.kurl@angusreid.org @shachikurl
Dave Korzinski, Research Director: 250.899.0821 dave.korzinski@angusreid.org

In the last few months, have you or your household done any of the following to cut back on spending?								
	Total (n=1,600)	Region						
		BC (n=202)	AB (n=148)	SK (n=129)	MB (n=128)	ON (n=442)	QC (n=391)	ATL (n=160)
Cutting back on discretionary spending	67%	70%	74%	79%	74%	70%	55%	74%
Delaying a major purchase, e.g. home, car, major appliance	43%	48%	46%	55%	52%	42%	36%	52%
Deferring/not making a contribution to an RRSP or TFSA	35%	34%	45%	47%	40%	35%	28%	31%
Other, specify:	8%	9%	11%	13%	5%	8%	5%	12%
None of these/Prefer not to say	19%	17%	14%	10%	15%	18%	26%	17%

While many Canadians report trimming spending, others have had to take more drastic action. Two-in-five say they've dipped into their savings in recent months to help pay their bills. Others have had to borrow money from friends and family (13%), sell assets (11%), take out loans from the bank (8%) or pay-day loan companies (4%).

Though those living in lower income households are more likely to report dipping into their savings to help cover expenses in recent months, at least one-third in all income brackets say they have done so. However, those in households earning less than $25,000 annually (29%) are the most likely to report tapping their friends or family for financial help:

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And, in the last few months, have you or your household done any of the following to help pay your bills/expenses?							
	Total (n=1,600)	Household Income					
		<$25K (n=132)	$25K- <$50K (n=235)	$50K- <$100K (n=532)	$100K- <$150K (n=325)	$150K- <$200K (n=126)	$200K+ (n=73*)
Drawn money from savings or another account you try not to touch	40%	41%	41%	44%	38%	36%	35%
Borrowed money from friends/family	13%	29%	22%	13%	7%	9%	6%
Sold an asset – cars, stocks, etc.	11%	13%	7%	12%	10%	11%	10%
Taken out a loan from the bank	8%	7%	7%	9%	11%	11%	2%
Taken out a loan from a pay-day loan company	4%	10%	6%	3%	3%	2%	1%
None of these/ Prefer not to say	48%	36%	44%	46%	54%	53%	61%

**Smaller sample size, interpret with caution*

Those in Saskatchewan also find themselves as the most likely to be drawing money from savings in recent months to cover bills at three-in-five (61%). Despite strong economic growth indicators, child poverty in Saskatchewan is reportedly higher than everywhere but Manitoba and the Yukon. Lower levels of social assistance in the province may have some turning to other means to combat inflation.

Meanwhile, three-in-five (59%) in Quebec say they haven't had to do any of the options listed to pay expenses, the most in the country. Quebec has been both heralded, and criticized for its generous social supports, and currently maintains the lowest unemployment rate in the nation – both of which may be factors in the relative stability voiced by residents.

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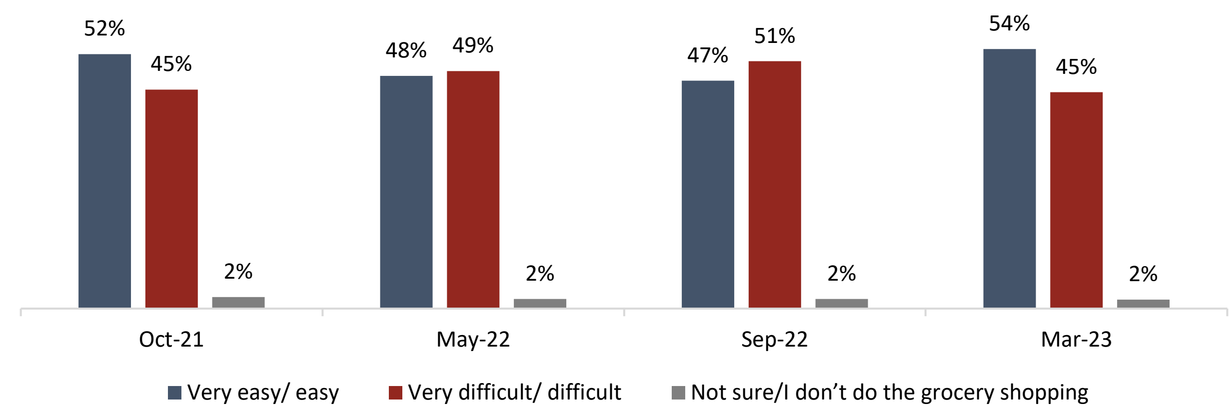
And, in the last few months, have you or your household done any of the following to help pay your bills/expenses?								
	Total (n=1,600)	Region						
		BC (n=202)	AB (n=148)	SK (n=129)	MB (n=128)	ON (n=442)	QC (n=391)	ATL (n=160)
Drawn money from savings or another account you try not to touch	40%	42%	47%	61%	43%	40%	30%	49%
Borrowed money from friends/family	13%	11%	16%	12%	10%	15%	10%	16%
Sold an asset – cars, stocks, etc.	11%	14%	15%	19%	8%	12%	5%	8%
Taken out a loan from the bank	8%	7%	5%	15%	9%	9%	8%	7%
Taken out a loan from a pay-day loan company	4%	5%	5%	-	3%	4%	2%	4%
None of these/ Prefer not to say	48%	42%	45%	32%	49%	49%	59%	38%

Part Three: Challenges persist

Inflation waning but groceries still a challenge for nearly half

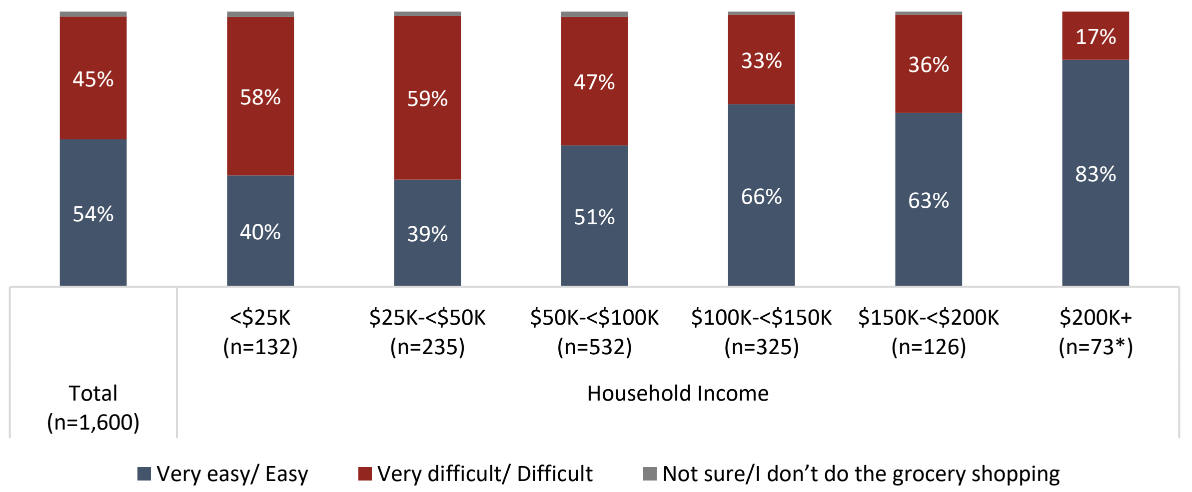
In the face of this widespread economic woe, the inflationary news is improving for Canadians, with the overall rate dropping to 5.25 per cent in February. Food costs, however, remain elevated, with inflation still at 9.7 per cent within that sub-category. Canadians continue to endure this, and as has been the case for 18 months, close to half say it is difficult to feed their household:



Those who are having difficulty with their finances are facing a considerable challenge when it comes to putting food on the table. Among those in self-described terrible shape 94 per cent say it is difficult to feed their household. Among those in bad shape, four-in-five say this (see detailed tables):

As one might expect, purchasing power plays an important part in this equation. Households with an income level of more than $100,000 appear much better situated to endure elevated food costs than others:

Thinking about grocery shopping and your household's food budget today, how easy or difficult would you say it is to feed your household?



**Smaller sample size, interpret with caution*

Nearly half of workers didn't receive a raise last year

Many Canadian employers are responding to the inflationary environment with wage and salary increases, to help employees keep up. Canadian wages grew 5.4 per cent year over year in February.

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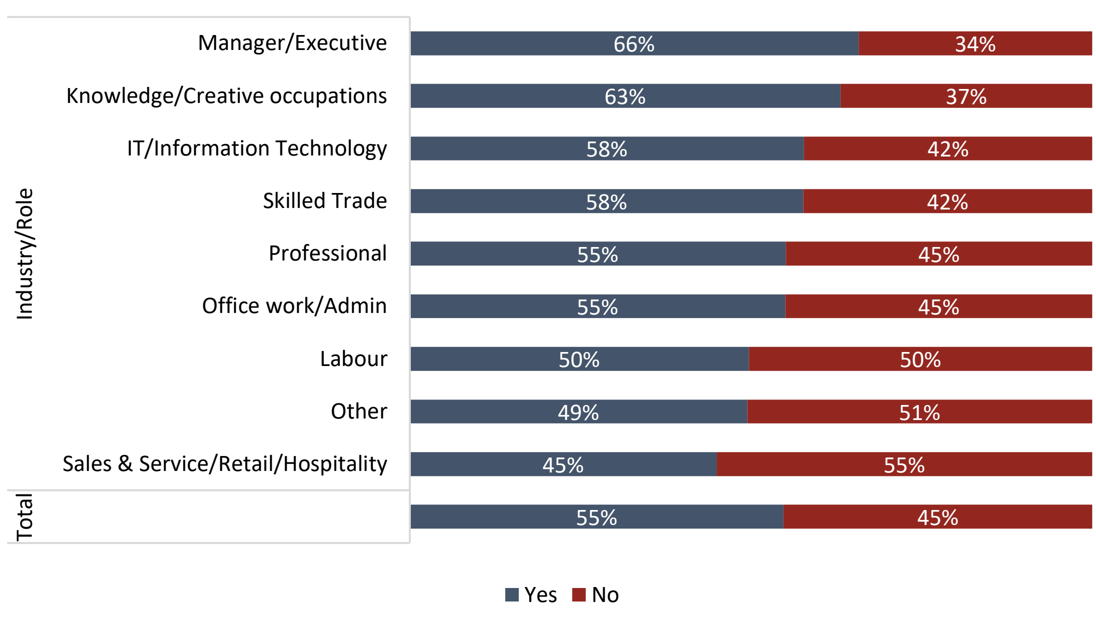
Shachi Kurl, President: 604.908.1693 shachi.kurl@angusreid.org **@shachikurl**
Dave Korzinski, Research Director: 250.899.0821 dave.korzinski@angusreid.org

More than half of Canadians workers (55%) say that they have benefitted from this trend, receiving a raise within the last 12 months. That said, 45 per cent, including a significantly higher number of part time workers, have not received a boost in compensation over the last year:

When was the last time you received a raise?

	Employed (n=962)	Employment Status: Full-time (n=818)	Employment Status: Part-time (n=144)
Within the last six months	33%	35%	19%
Six to 12 months	22%	23%	16%
12 months to two years ago	19%	18%	23%
Two to five years ago	11%	10%	15%
More than five years ago	7%	6%	15%
Have never received a raise	9%	8%	13%

Those in managerial and executive roles are most likely to have received a raise, alongside workers in the knowledge sector. Those least like to have enjoyed a boost in compensation are working in sales, retail and hospitality:



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Shachi Kurl, President: 604.908.1693 shachi.kurl@angusreid.org @shachikurl
Dave Korzinski, Research Director: 250.899.0821 dave.korzinski@angusreid.org

For detailed results by age, gender, region, education, and other demographics, click here.

For detailed results by self-described financial state, click here.

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Shachi Kurl, President: 604.908.1693 shachi.kurl@angusreid.org @shachikurl
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https://www.wsj.com/articles/mcdonalds-temporarily-shuts-u-s-offices-as-chain-prepares-for-layoff-notices-36fef317

- WSJ NEWS EXCLUSIVE
- BUSINESS

McDonald's Temporarily Shuts U.S. Offices as It Starts Notifying Workers of Layoffs

The burger chain's corporate-employee reductions are part of a broader restructuring

McDonald's employs more than 150,000 people globally in corporate roles and its owned restaurants.PHOTO: JUSTIN SULLIVAN/GETTY IMAGES

By Heather Haddon

Follow
Updated April 3, 2023 5:44 pm ET

McDonald's Corp. MCD 0.90%increase; green up pointing triangle has temporarily closed its U.S. offices this week and has started informing corporate employees about layoffs being made by the burger giant as part of a broader company restructuring.

Some McDonald's workers began to hear about the fate of their jobs Monday. The company's corporate vice president of insurance said he was informed Monday that his position was being eliminated and he was leaving the company after 20 years, he said in an email to colleagues that was viewed by The Wall Street Journal.

McDonald's was laying off hundreds of corporate employees this week, according to people familiar with McDonald's plan.

The Chicago-based fast-food chain said in an internal email last week to U.S. employees and some international staff that they should work from home from Monday through Wednesday so it can deliver staffing decisions virtually. The company, in the message, asked employees to cancel all in-person meetings with vendors and other outside parties at its headquarters.

“During the week of April 3, we will communicate key decisions related to roles and staffing levels across the organization,” the company said in the message viewed by The Wall Street Journal.

Chief Executive Chris Kempczinski said in an interview in January that he expected to save money as part of the workforce assessment, but said then he didn’t have a set dollar amount or number of jobs he was looking to cut. “Some jobs that are existing today are either going to get moved or those jobs may go away,” Mr. Kempczinski said.

McDonald’s employs more than 150,000 people globally in corporate roles and its owned restaurants, with 70% of them located outside of the U.S., the chain said in February.

McDonald’s in the message acknowledged that the week of April 3 would be a busy one for personal travel, which it said contributed to the decision to deliver the news remotely. Workers who wouldn’t have access to a computer during the week should provide personal contact information to their manager, the company said.

“We want to ensure the comfort and confidentiality of our people during the notification period,” the company said.

Companies across industries are reducing head counts amid concerns about a slowing economy. Layoffs that began in the tech sector last year have spread to retailers and manufacturers. Last month Amazon.com Inc. said it was eliminating 9,000 more jobs, following previously announced layoffs.

When Twitter Inc. in November notified staff about head count reductions, it said the company’s offices would be temporarily closed to ensure the safety of employees, Twitter’s systems and customer data. Employees who were in the office or on their way to one were asked to go home.

McDonald’s sales have held up even as retailers have reported a slowdown in spending.

The company told investors in January that some lower-income consumers were ordering fewer items per visit or opting for cheaper offerings, but customers generally continued to spend at its restaurants.

McDonald’s has conducted several rounds of layoffs in recent years. In 2018, McDonald’s said that the company was cutting its management to be “more dynamic, nimble and competitive.” The company said at the time the layoffs would occur as part of a half-billion-dollar plan to shrink administrative expenses by the end of 2019.

Mr. Kempczinski, who was the company’s U.S. president at the time, didn’t disclose the scope of the head-count reduction, but said it included regional chain offices. McDonald’s said it employed 205,000 people globally in corporate roles and its owned restaurants in 2019, down from 235,000 in 2017.

In a company message from January, McDonald’s said that the sprawling company operated in too many silos, leading to redundancies and slowing its innovation. The chain said it aimed to consolidate its work on some projects, and stop or move away from others.

Write to Heather Haddon at heather.haddon@wsj.com

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https://www.cnbc.com/2023/04/03/google-to-cut-down-on-employee-laptops-services-and-staplers-to-save.html?__source=sharebar|twitter&par=sharebar

Google to cut down on employee laptops, services and staplers for 'multi-year' savings

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Jennifer Elias@JENN_ELIAS

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KEY POINTS

- In a rare companywide memo from CFO Ruth Porat, Google kicked off "multi-year" employee service cuts.
- The company is cutting back on laptops and equipment, according to more detailed internal documents viewed by CNBC.

Ruth Porat, Alphabet CFO
Adam Galica | CNBC

Google's finance chief Ruth Porat recently said in a rare companywide email that the company is making cuts to employee services.

“These are big, multi-year efforts,” Porat said in a Friday email titled: “Our company-wide OKR on durable savings.” Elements of the email were previously reported by The Wall Street Journal.

In separate documents viewed by CNBC, Google said it’s cutting back on fitness classes, staplers, tape and the frequency of laptop replacements for employees.

One of the company’s important objectives for 2023 is to “deliver durable savings through improved velocity and efficiency.” Porat said in the email. “All PAs and Functions are working toward this,” she said, referring to product areas. OKR stands for objectives and key results.

The latest cost-cutting measures come as Alphabet-owned Google continues its most severe era of cost cuts in its almost two decades as a public company. The company said in January that it was eliminating 12,000 jobs, representing about 6% of its workforce, to reckon with slowing sales growth following record head count growth.

Cuts have shown up in other ways. The company declined to pay the remainder of laid-off employees’ maternity and medical leaves, CNBC previously reported.

In her recent email, Porat said the layoffs were “the hardest decisions we’ve had to make as a company.”

“This work is particularly vital because of our recent growth, the challenging economic environment, and our incredible investment opportunities to drive technology forward — particularly in AI,” Porat’s email said.

Porat referred to the year 2008 twice in her email.

“We’ve been here before,” the email stated. “Back in 2008, our expenses were growing faster than our revenue. We improved machine utilization, narrowed our real estate investments, tightened our belt on T&E budgets, cafes, micro kitchens and mobile phone usage, and removed the hybrid vehicle subsidiary.”

“Just as we did in 2008, we’ll be looking at data to identify other areas of spending that aren’t as effective as they should be, or that don’t scale at our size.”

In a statement to CNBC, a spokesperson said, “As we’ve publicly stated, we have a company goal to make durable savings through improved velocity and efficiency. As part of this, we’re making some practical changes to help us remain responsible stewards of our resources while continuing to offer industry-leading perks, benefits and amenities.”

Cutting down on desktop PCs and staplers

Among the equipment changes, Google is pausing refreshes for laptops, desktop PCs and monitors. It’s also “changing how often equipment is replaced,” according to internal documents viewed by CNBC.

Google employees who are not in engineering roles but require a new laptop will receive a Chromebook by default. Chromebooks are laptops made by Google and use a Google-based operating system called Chrome OS.

It's a shift from the range of offerings, such as Apple MacBooks, that were previously available to employees. "It also provides the best opportunity across all of our managed devices to prevent external compromise," one document about the laptop changes said.

An employee can no longer expense mobile phones if one is available internally, the document also stated. And employees will need director "or above" approval if they need an accessory that costs more than $1,000 and isn't available internally.

Under a section titled "Desktops and Workstations," the company said CloudTop, the company's internal virtual workstation, will be "the default desktop" for Googlers.

In February, CNBC reported the company asked its cloud employees and partners to share desks by alternating days and are expected to transition to relying on CloudTop for their workstations.

Google employees have also noticed some more extreme cutbacks to office supplies in recent weeks. Staplers and tape are no longer being provided to print stations companywide as "part of a cost effectiveness initiative," according to a separate, internal facilities directive viewed by CNBC.

"We have been asked to pull all tape/dispensers throughout the building," a San Francisco facility directive stated. "If you need a stapler or tape, the receptionist desk has them to borrow."

A Google spokesperson said staplers and tape continue to be offered companywide but did not provide details.

'We've baked too many muffins on a Monday'

Google's also cutting some availability of employee services.

"We set a high bar for industry-leading perks, benefits and office amenities, and we will continue that into the future," Porat's email stated. "However, some programs need to evolve for how Google works today."

"These are mostly minor adjustments," stated a separate internal document from the company's real estate and workplace team. The document said food, fitness, massage and transportation programs were designed for when Googlers were coming in five days a week.

"Now that most of us are in 3 days a week, we've noticed our supply/demand ratios are a bit out of sync: We've baked too many muffins on a Monday, seen GBuses run with just

one passenger, and offered yoga classes on a Friday afternoon when folks are more likely to be working from home," the document stated.

As a result, Google may close cafes on Mondays and Fridays and shut down some facilities that are "underutilized" due to hybrid schedules, the document states.

As a part of the January U.S. layoffs, the company let go of more than two dozen on-site massage therapists.

Read the full email from Ruth Porat here:

This year, one of our important company OKRs is to deliver durable savings through improved velocity and efficiency. All PAs and Functions are working towards this: Googlers have asked for more detail so we're sharing more information below. This work is particularly vital because of our recent growth, the challenging economic environment, and our incredible investment opportunities to drive technology forward—particularly in AI. We've been here before. Back in 2008, our expenses were growing faster than our revenue. We improved machine utilization, narrowed our real estate investments, tightened our belt on T&E budgets, cafes, Microkitchens and mobile phone usage, and removed the hybrid vehicle subsidy. Since then, we've continued to rebalance based on data about how programs and services are being used.

How we're approaching this

The hardest decisions we've had to make as a company to reduce our workforce, and that is still being worked through in some countries. Most of the other large changes and savings won't be visible to most Googlers but will make aa noticeable difference to our costs — think innovation in machine utilization for AI computing and reduced fragmentation of our tech stack. These are big-multi-year efforts. A few examples:

- *W*e are focused on distributing our compute workloads even more efficiently, getting more out of our servers and data centers. We've already made progress with these efforts and will continue to drive efficiencies – this work adds up given infrastructure is one of our largest areas of investment.
- As we apply our efficient and well-tuned infrastructure and software to ML, we're continuing to discover more scalable and efficient ways to train and serve models.
- Improving external procurement is another area where data suggests significant savings – on everything from software to equipment to professional services. As one part of this, we're piloting an improved buying hub that helps teams find suppliers that we've negotiated great rates with.
- There are other areas we've spoken about that will make a big difference: we're continuing to redeploy teams to higher priority work, to maintain a slower pace of hiring, to be responsible about our T&E spending, and to implement numerous suggestions from the Simplicity Sprint improve our execution and increase our

velocity – particularly on prioritization, training, launch and business processes, internal tools and meeting spaces.

Changes to programs and services

We want to be upfront that there are also areas where we'll realize savings that will impact some service Googlers use at work and beyond.

We set a high bar for industry-leading perks, benefits and office amenities, and will continue that into the future. However, some programs need to evolve for how Google works today. As well as helping to bring down costs, these changes will reduce food waste and be better for the environment.

- We're adjusting our office services to the new hybrid workweek. Cafes, Microkitchens and other facilities will be tailored to better match how and when they are being used. Decisions will be based on data. For example, where a cafe is seeing a significantly lower volume of use on certain days, we'll close it on those days and put more focus instead on popular options that are close by. Similarly, we'll consolidate microkitchens in buildings where we're seeing more waste than value. We'll also shift some fitness classes and shuttle schedules based on how they're being used.
- We've also assessed the equipment we provide Googlers. Today's devices have a much longer lifespan and greater performance and reliability, so we have made changes to what's available and how often it's replaced—while making sure that people have what they need to perform their role. Because equipment is a significant expense for a company of our size, we'll be able to save meaningfully here.

Just as we did in 2008, we'll be looking at data to identify other areas of spending that aren't asa they should be, or the don't scale at our size. We will let Googlers know of any other changes that directly impact services they use.Our opportunities as a company are enormous. We have clear OKRs and substantial resources at our disposal to pursue them, but these resources are finite. Focusing on using them effectively makes a huge difference.