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Qatar



~~UNITED KINGDOM TREASURY AND SUPPLY DELEGATION~~

BRITISH EMBASSY
WASHINGTON, D. C. 20008

T.P. Lankester Esq
Private Secretary
10, Downing Street
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June 22, 1981
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Dear Tim,

QATAR: NORTH WEST DOME GAS FIELD

Thank you for your letter of June 3.

2. We have spoken again to Bank staff, who were able to bring us up to date on where matters now stood. They have now completed their report, and have submitted it to the Qatar Government. It is not clear at this stage whether the Bank's role has now finished, or whether they will be asked to give further assistance--for example, by helping to evaluate any bids which may arise as a result of the Qataris' decision.

3. The decision is now entirely a matter for the Qatar Government; and the Bank (quite properly, as you recognised in your letter) did not feel able to tell us what recommendations they had made. In seeking advice from the Bank the Qatar Government would naturally expect it to be confidential. Staff members must be, and must seem to be, absolutely even-handed in the information they pass on to Executive Directors' offices. If they were not--particularly where future contracts are involved--they would indeed jeopardise their service with the Bank.

4. Within this constraint, the staff were as helpful as they could be. They suggested that the Qataris might decide to go for a "mix" (that is to say, using some of the gas as straight energy, and some of it for conversion to other products), and that there were three documents well worth reading--an article by Ali Jaidah (Managing Director of the Qatar General Petroleum Corporation), which appears in Issues in Development: The Arab Gulf States, published by M.D. Research and Services Limited and edited by May Ziwar-Daftari; an interview with Jaidah reported in page vi of the Financial Times' Supplement on Qatar, dated February 16, 1981; and some extracts from recent Middle East Economic Digests. BP are no doubt familiar with all these documents, but might do well to give them another look. (Copies are enclosed to yourself and Julian West.)

5. Two senior officials of BP (Charles Nicholson, Vice President, BP North American, and John Mitchell, Head of the BP Policy Review Unit) called at this office at the end of April, though not specifically to discuss Qatar, and they suggested that they might be passing through

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again in June. Although, here again, Bank staff would not be able to give them privileged information, we could try to include, in any programme we set up for them, a meeting with the department that deals inter alia with Qatar. Most importantly, BP should be pursuing this in Qatar themselves-- as no doubt they are. As I said in my last letter, the Qataris intend to keep the future developments of the field very firmly in their own hands. Companies will stand the best chance of securing contracts by persuading the Qataris that they can provide the services which the Qataris think they need.

6. I am copying this letter to the recipients of yours and to David Hancock at the Treasury.

Yours ever,

John Anson

John Anson

cc: Mr. D.J.S. Hancock (HMT)
Mr. F. Richards (FCO)
Mr. J. West (Dept. of Energy)
Mr. C.B. Benjamin (DOT)
Chancery, Doha

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