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## **IRAQ'S SOUTHERN OIL EXPORTS HIT RECORD HIGH SO FAR IN APRIL**

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Reuters, 25 April 2016

Oil exports from southern Iraq have reached a record monthly rate so far in April as OPEC's second-largest producer resumes the supply growth that has added downward pressure on prices.

Baghdad had given verbal support to an initiative by OPEC and outside producers to freeze output. But they failed to reach a deal at an April 17 meeting, and rising exports from Iraq as well as other nations including Russia underline the challenges to any further attempt at curbing supply.

Iraq's southern exports in the first 24 days of April averaged 3.43 million barrels per day (bpd), according to an industry source and loading data tracked by Reuters.

If sustained, that would exceed the record of 3.37 million bpd reached in November.

The increase is in line with figures given earlier in April by an Iraqi official. According to oil trading sources, it partly reflects an easing of delays in the loading of Basra Heavy crude cargoes.

"They finally managed to catch up on the delays," the industry source said. "I don't believe anyone is really doing anything about that," the source added of the effort to freeze output.

The south pumps most of Iraq's oil. Iraq also exports smaller amounts of crude from the north by pipeline to Turkey.

Northern shipments of crude from fields in the semi-autonomous Kurdistan region have risen to 420,000 bpd so far in April, according to loading data, from 327,000 bpd in March.

The shipments have fallen from January's level of about 600,000 bpd due to pipeline sabotage and a decision by the central government in Baghdad to suspend pumping Kirkuk crude into the line.

Given the drop in northern exports from January's level, total Iraqi exports this month of 3.85 million bpd are short of a record high.

Iraq was the fastest source of supply growth in the Organization of the Petroleum Exporting Countries last year and boosted production by more than 500,000 bpd, despite spending cuts by companies working at the southern fields and conflict with Islamic State militants.

Iraqi officials and oil analysts expect further growth in the country's exports this year, but at a slower rate than 2015.

I expect "a clear slowdown from strong growth last year", Commerzbank analyst Carsten Fritsch said. "But no voluntary freeze or even cut."

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Kaynak/Source: