
KAZAKHSTAN LOOKS TO BOOST CRUDE OIL EXPORT CAPACITY TO 100 MILLION TONS IN 2017

-

23.11.2016

Economic Calendar, November 22, 2016

Kazakhstan, Central Asias largest economy, is expecting to increase its crude oil export capacity to 100 million tons next year (730 million barrels per year), according to the countrys energy minister Bozumbayev.

The increase in export capabilities will be attributed to the enlargement of the carrying capacity of the Caspian Pipeline Consortium (CPC) pipeline network. The plan oversees growth from 28 million tons per year (205 million barrels per year) to 67 million (490 million barrels).

Kazakhstan is seriously committed to diversifying its crude oil export routes. Being the worlds largest landlocked country, Kazakhstan must rely mainly on pipelines to export its crude outside the country. The widening of pipeline export capacities will be the direct result of these commitments, with 52 million tons out of the total 100 million belonging to the CPC, 20 million □ to the Kazakhstan-China pipeline and 18 million □ to the Atyrau-Samara pipeline into Russia. Another 10 million tons per year could be transported across the Caspian Sea and via railroads. Such capacities will more than suffice with the 2017 crude oil production planned at 80 million tons or 586.4 million barrels. Thats 1.6 million barrels of crude oil per day.

Despite falling crude oil production over the last couple of years, Kazakhstan now looks to be well positioned to deliver on the planned production volume. It was also announced by Mr. Bozumbayev that, following a three-year delay, the Kashagan oil field has been restarted in September and since November 1 has been producing crude at commercial volumes (75,000 barrels per day). The prolonged delay at the Kashagan field was caused by the need to fully substitute the fields pipelines due to leaks caused by high sulfur content in associated natural gas.

Thus, following the restart of the Kashagan field, Kazakhstans Energy Ministry improved the countrys crude production outlook for 2016 to 75.5 million tons from 74 million tons previously. Kazakhstan expects its crude oil output to stabilize in 2017 with further growth in the following years.

Kaynak/Source: