
IRAQ'S FEBRUARY OIL SALES ACCELERATE DESPITE OPEC EFFORT TO CUT

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17.02.2017

Bloomberg, 16 Feb 2017

Iraqi crude shipments rose 3 percent in the first half of February even after OPEC's second-biggest producer agreed to participate in global output cuts to mop up a glut that has put pressure on oil prices.

Exports increased to 3.93 million barrels a day in the first 15 days of the month, 122,000 barrels a day more than the average for all of January, according to port-agent reports and ship-tracking data compiled by Bloomberg. Shipments from the southern Iraqi port of Basra grew by 10 percent, while sales by the Kurdish Regional Government in the north of the country were up 13 percent, the data show.

The Organization of Petroleum Exporting Countries is limiting output in the first half of this year to cut global crude stockpiles that are weighing on prices. The group agreed on Nov. 30 to reduce production by 1.2 million barrels a day, with 11 countries outside of OPEC pledging to reduce by about 600,000. Benchmark Brent crude has gained more than 10 percent since OPEC announced the cuts and was 5 cents higher on Thursday at \$55.84 a barrel at 11:11 a.m. in London.

Iraq pledged to decrease production by 210,000 barrels a day from the 3.91 million it pumped in October, the month that OPEC set as a baseline for its agreement.

Rough Weather

The February mid-month tally is a sign of how much crude the country is selling, though total shipments for the full month may not end up reflecting this trend due to the high winds and rough seas that often interrupt loadings during Iraq's winter months. The country plans to export about 3.64 million barrels a day in all of February, according to a loading program.

Iraq's March oil exports may decline to a seven-month low of 3.01 million barrels a day, according to loading programs obtained by Bloomberg. Shipments typically slump in March because of weaker seasonal demand. This, together with maintenance at some of Iraq's biggest fields, may help the producer meet its pledge under OPEC's deal to restrict supply.

The International Energy Agency reported this month that Iraq cut output by 110,000 barrels a day in January. OPEC, citing data from so-called secondary sources such as analysts and tanker trackers, said Iraq cut 166,000 barrels in the same month.