
IRAQ'S SOMO CHIEF SAYS TARGETING MORE CRUDE SELLS TO ASIAN MARKETS

-

19.03.2018

Reuters (18 March 2018)

Ahmed Rasheed

BAGHDAD (Reuters) - The head of Iraq's state-oil marketer SOMO said on Sunday that Iraq will seek to corner a greater share of Asian markets through a new joint venture strategy.

At a SOMO event in Baghdad on Sunday, Alaa al-Yasiri announced that SOMO will seek to sign joint ventures with companies from China, India, Japan and South Korea to help target Asian markets.

We are aiming to win a greater share of the Asian markets and to achieve this strategy we will have joint ventures with energy companies from Asia, Yasiri said.

Sixty percent of Iraq's oil exports are already directed to Asia, he said.

In one of several deals announced on Sunday, Yasiri announced a profit-sharing deal with China's state-run Zhenhua Oil to help market Iraqi crude to Chinese refineries.

The deal we signed with Zhenhua is only a starting point that will pave the way for more deals and joint ventures with other Asian companies from Japan, India, China and Korea, Yasiri said.

He added that SOMO was waiting for the approval of the Iraqi government to transform the deal into a full joint venture.

We want the profit-sharing deal to become a real joint venture to help us maintain sales to Asian markets, Yasiri said.

Iraq has signed long-term crude supply contracts with major Indian energy companies including Reliance, which keeps Iraq as a top crude supplier to India for 2018, he said.

Yasiri added that he expected oil prices to remain at current levels for the whole of 2018.

I expect oil prices to stay stable at their current levels at least until the end of 2018, Yasiri told reporters. Oil price stability depends on political stability in our region.

Turning towards Kirkuk's crude, Yasiri said that delays in shipping Kirkuk crude to Iran stemmed from contractual procedures in selecting truck shippers and was not due to security concerns.

He said the Oil Ministry will soon select four local shipping companies to start the transport of an initial 40,000 bpd to Iran.

We decided that trucking 60,000 barrels per day of crude through one shipping company is a tough job to handle. With four shippers on board, we will make sure the flow will not be interrupted, Yasiri said.

Iraqs Oil Ministry is still involved in high-level talks with Kurdish regional energy officials to reach a deal on resuming Kirkuks oilfields exports to Ceyhan through the Kurdish-controlled pipeline, said Yasiri.

We clarified to the Kurds that the pipeline which links the Kirkuk to the Ceyhan pipeline must come back under federal control, he said.

Yasiri said the talks are focused now on how to deal with the expenses of shipping the crude from Kirkuks oilfields through the pipeline and whether to pay fees for the investor of the pipe per each exported barrel of oil.

Oil minister Jabar al-Luaibi and Kurdish minister Ashti Hawrami are exchanging letters to resolve Kirkuk exports issue. But its still difficult to tell when a deal can be reached to resume Kirkuk exports, said Yasiri.

Exports from Kirkuk oilfields have been suspended amid an ongoing dispute between Baghdad and the Kurdish Regional Government (KRG) over the use of the Ceyhan export pipeline to Turkey.

Iraq is the second-largest producer in the Organization of the Petroleum Exporting Countries and relies on oil to generate most of its budget revenue.

<https://in.reuters.com/article/iraq-oil/iraqs-somo-chief-says-targeting-more-crude-sells-to-asian-markets-idINKCN1GU0MS>

Kaynak/Source: