
IRAQ'S SOUTHERN OIL EXPORTS HOLD NEAR RECORD IN JANUARY

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Reuters

LONDON: Oil exports from southern Iraq are holding close to a record high so far in 2019, according to shipping data and an industry source, which could raise questions over whether OPECs second-largest producer is following through on a deal to cut output.

Southern Iraqi exports in the first 21 days of January averaged close to 3.6 million barrels per day, according to tanker data on Refinitiv Eikon and separate tracking by an industry source. That's close to December's 3.63 million bpd — a monthly record.

The figures suggest there is little sign yet of lower supplies from Iraq, despite a deal by the Organization of the Petroleum Exporting Countries and allies to reduce output by 1.2 million bpd as of Jan. 1 to support the market.

So far, no cuts, the industry source said on Monday of Iraq's export rate.

The south is the main outlet for Iraq's crude. An Iraqi official, the director of Iraq's Basra Oil Company, on Jan. 11 gave similar figures for January exports to those suggested by the tanker data and source.

Iraq, which has been expanding its oil export capacity, was reluctant to join a previous OPEC-led supply cut effort which began in 2017 and was at times OPEC's least compliant member with the initiative.

To be sure, the OPEC-led deal applies to production, not exports. It is possible that Iraq could have cut production and maintained exports from crude held in storage, or reduced supply to domestic refineries.

Nonetheless, oil traders and analysts will be looking at exports to gauge whether the deal is lowering supply to the global market. So far, Iraq's shipments abroad from the north haven't declined significantly either.

Iraq's northern exports appear to have held steady in January at about 400,000 bpd, according to tanker data compiled by Reuters and the industry source. That is still far below levels of more than 500,000 bpd in some months of 2017.

Baghdad says it will stick to the accord. Oil Minister Thamer Ghadhban said on Jan. 4 Iraq would keep production at the level of its OPEC target in the first half of 2019.

Under the deal, Iraq agreed to cut production by 141,000 bpd to 4.512 million bpd as of Jan. 1.

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