
IRAQ LOOKS TO BOOST CRUDE OIL TRADING BUSINESS

15.03.2019

Oil Price (15 March 2019)

Iraq's State Oil Marketing Organization (SOMO) is looking to expand its crude oil trading activities with more spot sales and with opening offices outside Iraq, the director of SOMO's crude oil and gas marketing division, Ali Nazar Faeq Al-Shatari, said at the S&P Global Platts Asian Refining Summit on Thursday.

The state oil marketing company of OPEC's second-largest producer plans to begin the opening of offices abroad with Singapore, S&P Global Platts quoted Al-Shatari as saying during the conference.

According to industry and trading sources who spoke to Reuters this week, SOMO has moved to scrap two joint ventures for trading as it aims to boost its crude oil sales on its own and get the trading revenues for itself.

At the end of last year SOMO also clamped down on the previously widespread re-selling of its crude oil cargoes, which it had always banned, although that ban had been largely ignored.

According to Reuters, now the Iraqi state oil marketing company is also emboldened to trade the Iraqi crude on its own as the market for sour and heavy crude grades is tightening amid OPEC's cuts and the U.S. sanctions on Iran and Venezuela.

Iraq also aims to sell more of its oil on the prized Asian markets, and in November it allocated 67 percent of its 2019 oil sales to Asia. Iraq has raised the share of its crude oil shipped to Asia to 67 percent for 2019, from around 60 percent earlier in 2018.

Middle Eastern oil producers have been keen to get more revenues from trading their own oil.

In April last year, the Abu Dhabi National Oil Company (ADNOC) said that it was establishing a new trading unit to introduce and manage non-speculative trading to further maximize value from every barrel of crude oil and refined product that is produced and marketed by the company.

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