



Tanker trades – building a strong case for greater optimism?

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GOOD MORNING



**Life is the most
difficult exam.**

Many people fail because
they try to copy others,
not realizing that everyone
has a different question paper.



Change, Innovation & Transformation

The world Energy, Trade and Economical situation will continue to go through transformation

**Global Business indicators
“whether you lead or bleed”**



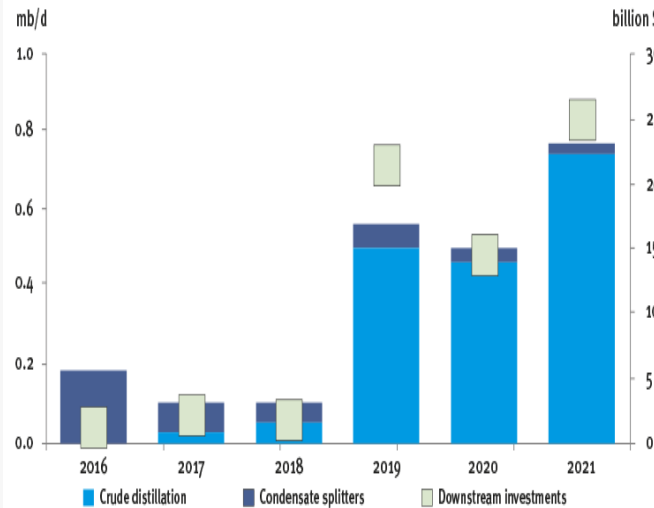
- Oversupply of vessels continue to hurt the market. (the orderbook is known and any slippage or cancellations will not create a big difference.)
- Scrapping activity low since the age profile of the tanker fleet in general (only 20% of the crude fleet and about 18% of the product tankers fleet is older than 15 years old).
- The performance of the tanker market will highly depend on the production cuts of the producing nations or increase in the refined product production.



Global Chemical Tanker Market is expected to reach USD 37.56 billion by 2025, from USD 26.82 billion in 2017, growing at a CAGR of 4.3% during the forecast period of 2018 to 2025.

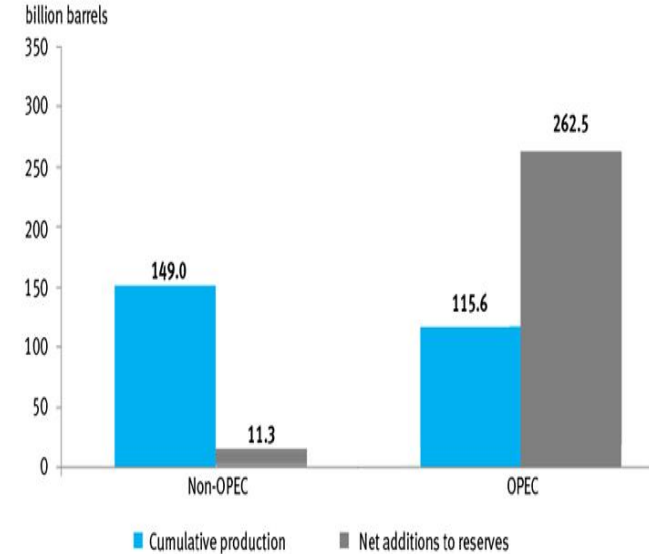


Downstream capacity additions and investments in OPEC Member Countries



Projected capacity additions within national borders of Member Countries.
Downstream investment includes investment in secondary processes but excludes infrastructure costs beyond refinery gate.

World proven crude oil reserves: Cumulative production versus net additions, 2008-2017



Source: OPEC Annual Statistical Bulletin 2018.

The total estimated additions will bring OPEC Member Countries' base capacity to over 13.3 mb/d in 2021 and will require a level of investments of \$66.5 billion in order to implement the foreseen additions (distillation and secondary units) between 2016 and 2021.



Hydrocarbons are and will remain an essential part of the energy mix..... demand will expected to double in the next 20 years especially in the petrochemicals sector



It's a game changer for the GCC



1. Downstream industries in the Gulf have been relatively underdeveloped. “Exports from the region itself were generally as crude oil, with value adding taking place outside the regional economy.
2. Over the last two decades, the region has emerged as a global hub for the production of chemicals and petrochemicals, and the industry has been on a consistent and exponential expansion drive, growing at an average compound annual growth rate of 12 per cent.
3. Still, GCC states must increase their investment in value-added oil and gas processing to support sustainable, long-term economic growth,
4. Countries in this region face very similar challenges, and we must work together in partnership to ensure that our hydrocarbon wealth creates sustainable social and economic benefits for future generations.”



- As the global market for oil, gas and petrochemicals further evolves, we need to bring more of the processed value of petroleum products within our own economy as means for greater diversification and industrial presence. This has become a high priority for Gulf NOCs.
- Investment within the region is a particular priority, as the planning, construction and operation of new facilities creates additional business for local suppliers and contractors, and employment opportunities for citizens.”



Massive Transformation



Kuwait

- Kuwait increased its investment within Kuwait and the GCC. The under-construction \$16-billion Al-Zour refinery will be a 615,000 barrel per day ultra-modern facility. The refinery to be integrated with a planned petrochemicals complex and a terminal for LNG imports.
- Kuwait & Oman joint venture agreement to develop a USD 7-billion refinery in Oman's Duqm Special Economic Zone, which will handle both Omani and Kuwaiti oil.
- Additional refining capacity overseas – far east



UAE

- ADNOC produces about 3 million barrels of oil per day and its current refining capacity is 922,000 bpd. It wants to triple petrochemicals production to 14.4 million tonnes annually.
- Adnoc downstream strategy is the Ruwais Industrial Complex, aiming to become the single largest integrated refining and petrochemicals complex in the world.
- Abu Dhabi National Oil Company (ADNOC) plans to invest Dhs165bn (\$44.9bn) along with its partners over five years to expand its downstream operations.
- ADNOC's would double its refining capacity and triple petrochemicals output potential by 2025, as it focuses more on downstream expansion and capture new growth markets.
- This will include by adding to its refining and petrochemical operations at its Ruwais complex with a third refinery to expand capacity by 600,000 bpd by 2025.



UAE

- The company plans to spend more than Dhs400bn (\$109bn) in the next five years. The spending will include boosting gas output and investing in international downstream activities.
- ADNOC wants to expand its downstream portfolio particularly in Asian markets where demand for oil is still growing, securing a new outlet for its crude.
- ADNOC is evaluating some downstream expansion opportunities abroad with its strategic partners in India, China, Japan, South Korea, Vietnam, Indonesia and Pakistan.
- Saudi Aramco, ADNOC and Indian companies firmed a joint venture for India's Ratnagiri oil refinery.



Saudi Arabia

- The joint project between Saudi Aramco and SABIC. This project is called COTC – crude-oil-to-chemicals – and its aim is to fully convert crude oil into petrochemical products. This project will be the largest processing site of its kind in the world, is part of the drive for diversification of the Saudi economy.
- Aramco plans to double its petrochemicals production by 2030, to increase the value of each barrel of oil produced and diversify the kingdom's economy, enabling it to take a larger bite of global energy markets beyond transportation, where most oil is consumed.
- The company aims to convert two to three million barrels of oil products per year into chemicals in the long term to transform Aramco from being “a world leader in energy to a world leader in energy and chemicals”.



Building a strong regional tanker brand

I strongly recommend and it's the right time to create a GCC tanker company / Pool to enhance regional capabilities and build capacity to help in expanding regional and local investment opportunities and creates sustainable social and economic benefits for future generations .

Act today 
benefits

Capture future

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Gulf Navigation Holding pjsc



