

Iraq's southern crude oil exports approach record



Reuters/London

Oil exports from southern Iraq are heading for a record high this month, two industry sources said, adding to signs that Opec's second-largest producer is following through on a deal to raise supply and local unrest is not affecting shipments.

Southern Iraqi exports in the first 19 days of September averaged 3.6mn bpd, according to ship-tracking data compiled by an industry source, up 20,000 bpd from August's 3.58mn bpd – the existing monthly record.

The increase follows June's pact among Opec and allied producers to boost supply after they had curbed output since 2017 to remove a glut.

Iraq in August provided Opec's second-largest increase as shipments drop from Iran, which is facing renewed US sanctions.

A second industry source who tracks shipments also said exports this month had averaged 3.6mn bpd, reflecting smooth operations at export terminals and no sign that unrest in Basra, Iraq's second city, was disrupting flows.

"There were fears that the protests would get to the terminal," this source said. "But so far, there is no impact." Protests in Basra against Iraq's political establishment erupted in July.

In early September, Basra airport was attacked with rockets and protesters briefly took oilfield workers hostage.

Before the June Opec deal, Iraq had been boosting exports from southern terminals to offset a halt in shipments from the northern Kirkuk region last October after Iraqi forces seized control of oilfields there from Kurdish fighters.

Northern exports have held steady in September, averaging

around 400,000 bpd so far, according to shipping data and one of the industry sources.

This is up from about 300,000 bpd in July but short of levels above 500,000 bpd in some months of 2017.

On June 22-23, Opec, Russia and other non-members agreed to return to 100% compliance with output cuts that began in January 2017.

That amounted to an increase of about 1mn bpd, according to Opec's lead member, Saudi Arabia.

A group of Opec and non-Opec ministers and officials monitoring the agreement met yesterday in Algeria.

Iraq has said it is ready to boost output and in August pumped an extra 90,000 bpd, Opec's second-largest increase after Libya, according to analyst and oil-industry media estimates compiled by Opec.

Iraq itself said production in August was steady.