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Azerbaijani Oil Income in August 2017

© Center for Economic and Social Development (CESD)
Caspian Plaza 3, Floor 13

Cefer Cabbarli 44

Baku

AZERBAIJAN

Phone; (99412) 5970691

(99412) 4975684

Fax (99412) 4975684

Email; cesd.az@gmail.com

info@cesd.az

URL; www.cesd.az

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The State Oil Company of Azerbaijan Republic (SOCAR) reports that the company exported 254,363 thousand tons of crude oil from the Russian port of Novorossiysk and 1,733 million tonnes of crude oil from the Turkish port of Ceyhan in August 2017.

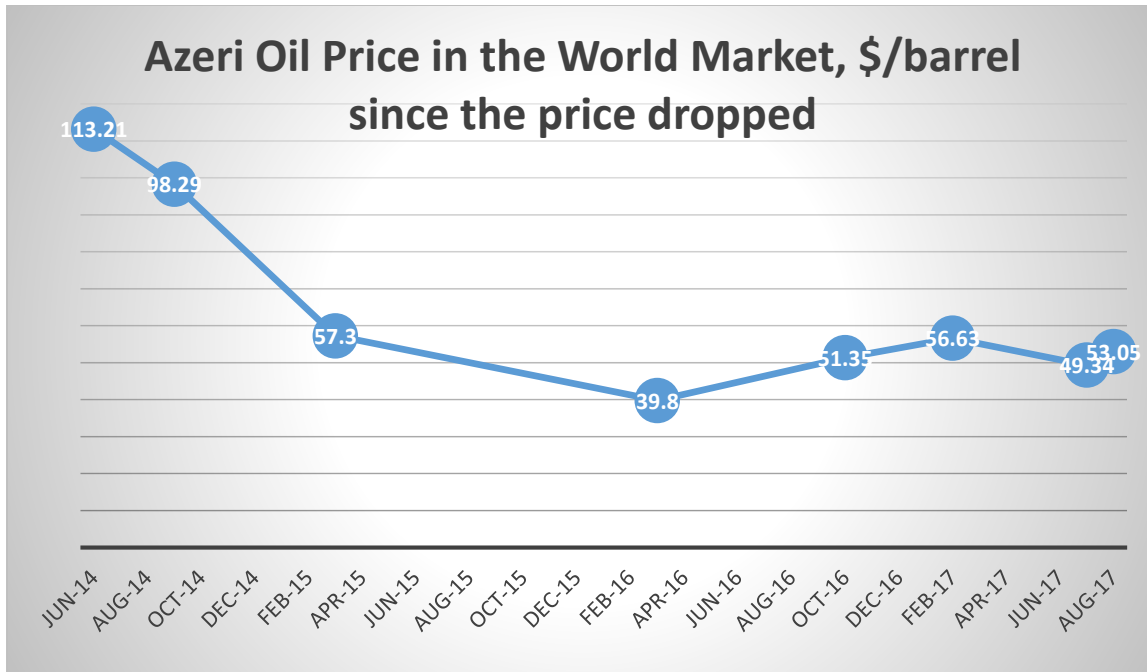
According to the SOCAR's report 988.28 thousand tons of crude oil were exported from the Russian port of Novorossiysk, 1,579 million tons of crude oil from the Georgian port of Supsa and 11, 400 million tons of crude oil from the Turkish port of Ceyhan during January-August 2017.

Meanwhile, SOCAR has reported that the company has exported 264,489 thousand tons from Supsa port, 1,540 million tons from Ceyhan port.

The State Oil Company of Azerbaijan (SOCAR) reports that the cost of a barrel of BTC FOB Ceyhan in August 2017 was \$53.05. At that, the cost of a barrel of Russian oil mixture Urals (REBCO) was \$51.0 and Brent grade was \$51.64 US.

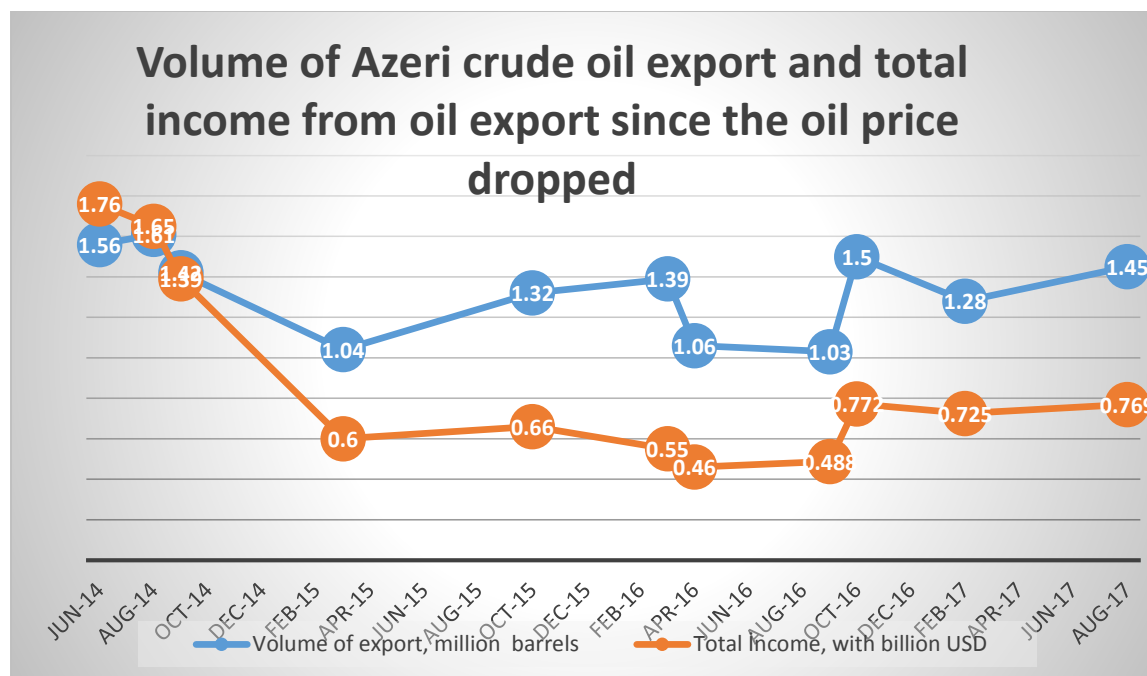
In July 2017, price for Brent crude oil in the world market was \$48.56 per barrel, Urals oil - \$47.92 and BTC FOB Ceyhan crude oil - \$49.34 US.

SOCAR notes that the MEOD exports both its own oil and oil falling on the share of the government within PSA contracts.



Source: State Oil Company of Azerbaijan Republic and CESD calculations, September 2017

Azeri oil price slightly increased in August 2017 compared with the previous month since the price was below \$ 50.0 US per barrel in July 2017. Meanwhile, the oil price has been decreased more than 2.2 times since August 2014.



Source: State Oil Company of Azerbaijan Republic and CESD calculations, August 2017

The graph shows that oil in August is still far behind of 2014’s summer’s monthly income. If the country received only \$ 769 million US in August 2017, but monthly income was \$ 1.76 billion US in June 2014. It confirms that dropped oil price in the world market has dramatically decreased Azerbaijan’s revenues.

Note that, gross income implies the currency entering to the country from sale of oil included with AIOC oil revenues. Profit after deducting costs from revenues defined the amount of oil in value. This is sharing in accordance with the production sharing funds between the Government of Azerbaijan and AIOC.