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Azerbaijani Oil Income in June 2015

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Dilara Aliyeva 115, Baku 1009
AZERBAIJAN

Phone; (99412) 5970691
(99412) 4975684
Fax (99412) 4975684
Email; cesd.az@gmail.com
info@cesd.az
URL; www.cesd.az

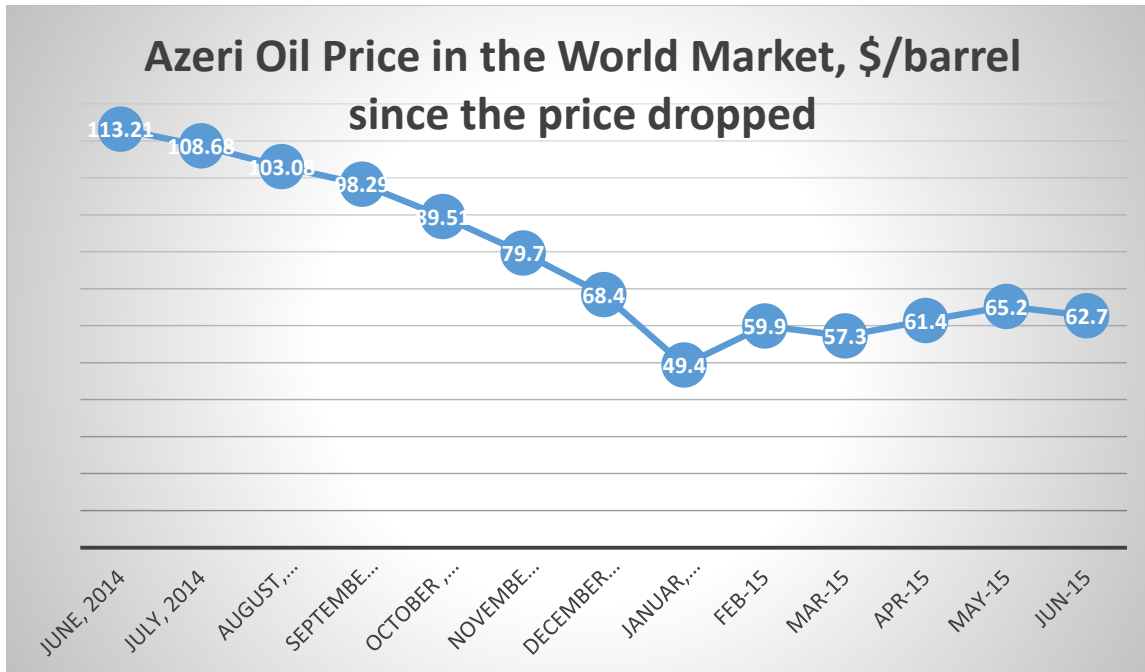
Baku, July 06, 2015

Azerbaijani Oil Income in June 2015

State Oil Company of Azerbaijan Republic (SOCAR) exported 1 million 959 thousand 619 tonnes oil in June 2015. Out of this volume, 339 thousand 20 tons of crude oil was exported through the Supsa Port and 1 million 925 thousand 699 tons of crude oil via the Ceyhan Port in the reporting period. In general, 678 thousand 46 tons of crude oil were exported from the Novorossiysk Port, 1 million 524 thousand 900 tons of crude oil - from the Supsa Port, and 9 million 203 thousand 947 tons of crude oil from the Ceyhan Port during January-June 2015. The indices of crude oil exported by the SOCAR reflect the volumes of crude oil belonging to both State of Azerbaijan and Company.

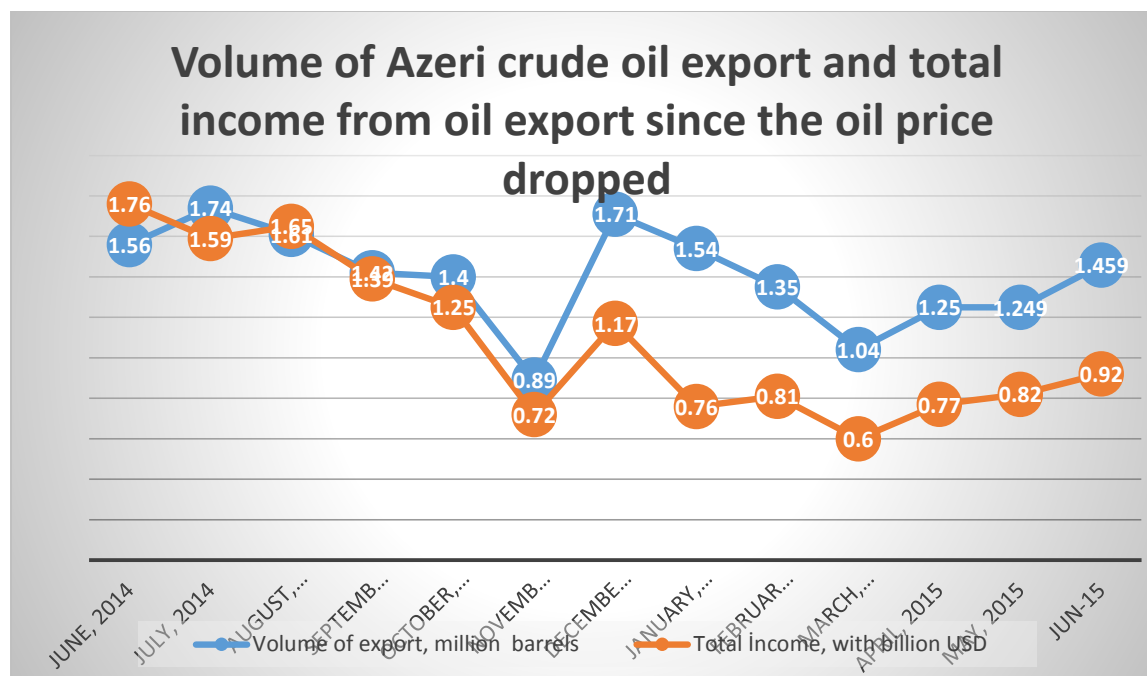
The cost of a barrel of BTC FOB Ceyhan was \$ 62, 73 US in June 2015. The Azeri crude oil price declined by 3.8 % compared with previous month since the Azerlight's price was \$ 65,16 US in May 2015.

CESD reports that SOCAR and the consortium target keeping monthly oil export around 2.0 million tons. However, due to high demand for investments, oil output in Azerbaijan will likely be decreased in the second half of 2015 in the light of the low oil price in the world market.



Source: State Oil Company of Azerbaijan Republic and CESD calculations, July 2015

The graph shows that Azeri oil price has increased starting March 2015 compared with the previous months, but again the price decreased in June 2015. In fact, oil price for June 2015 is higher than first four months of this year. However, the oil price has been decreased around 2.0 times since June, 2014.



Source: State Oil Company of Azerbaijan Republic and CESD calculations, July 2015

The graph shows that oil income increased by 12.0% in June 2015 compared to the previous month due to growth in oil output although the price has decreased in the indicated period. However, total monthly income is still far behind of last summer's monthly incomes. If the country received only \$ 920 million US in June 2015, but income was \$ 1.76 billion US in June 2014. It confirms that the 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 defines the amount of oil in value. This is in accordance with the production sharing funds between the Government of Azerbaijan and AIOC.