

In 2013 and the first quarter of 2014, international crude oil markets were unstable and oil prices fluctuated enormously during this period. A host of factors were responsible for the fluctuations of crude oil prices. Factors contributing to the run-up in crude oil prices included continuation of geopolitical tensions in the Middle East, improvements in global economic condition, supply/demand imbalances, fall in OPEC's production, and depreciation of the US dollar vis-à-vis the euro. On the other hand, continuation of economic recession in Europe, rise in the production of crude oil by the non-OPEC countries, increase of oil production from unconventional sources, alleviation of tensions in the relations of Iran and the West, Libyan oil's return to global markets, and the build-up of US crude stocks were responsible for the decrease in crude oil prices in 2013.

The year 2013 was witness to two Meetings of the OPEC Conference. The 163rd Meeting of the OPEC Conference was held in Vienna, capital city of Austria, on May 31, 2013 during which the OPEC production ceiling was kept unchanged at 30.0 mb/d. Discussion on selection of Secretary General among candidates from Iran, Saudi Arabia, and Iraq was postponed to the next meeting. At the 164th Meeting of the OPEC Conference convened in Vienna, on December 4, 2013, OPEC agreed to maintain its production ceiling of 30.0

mb/d. Meanwhile, the Conference decided to extend the tenure of Abdalla Salem El-Badri (the Libyan Secretary General) as Secretary General for a period of one year.

In 1392, Iran produced crude oil in adherence to the quotas set by the OPEC. According to the Ministry of Petroleum, average crude oil exports decreased by 10.9 percent in this year, to 1.6 mb/d and exports of oil products declined by 4.2 percent to 99 thousand b/d.

OPEC

Primary Energy Consumption

Primary energy consumption by the OPEC member countries rose from 758.8 million tons oil equivalent in 2012 to 782.4 million tons oil equivalent in 2013. Among primary energy sources, oil and natural gas are consumed by member countries to a large extent, while hydroelectricity and coal are used by Iran, Venezuela, and Algeria sparingly. Middle East members (Saudi Arabia, Iran, Kuwait, United Arab Emirates, and Qatar), with a total consumption of 638.2 million tons oil equivalent, accounted for higher consumption as compared with other members (Venezuela, Ecuador, and Algeria). Iran, with 243.9 million tons oil equivalent, ranked first, followed by Saudi Arabia, with 227.7 million tons oil equivalent.

Crude Oil Proven Reserves

At end-2013, crude oil proven reserves located in OPEC member countries reached 1,214.2 billion barrels, remaining relatively unchanged compared with 2012 year-end. Among OPEC member countries, the largest reserves, by 298.3 billion barrels, belonged to Venezuela, followed by Saudi Arabia, with 265.9 billion barrels. Iran, with 157.0 billion barrels, ranked third among OPEC member countries.

Crude Oil Production

In 2013, average OPEC crude oil production, with 1.6 percent decrease compared with 2012, amounted to 36.8 mb/d. Production of OPEC Middle East members, with 0.1 percent decrease, totaled 27.0 mb/d and production of other members fell by 5.4 percent to 9.8 mb/d. The highest amount of

production was related to Saudi Arabia with 11.5 mb/d, and a share of 31.3 percent in total OPEC crude oil production.

Figure 3.1. OPEC members' production quotas in 2013

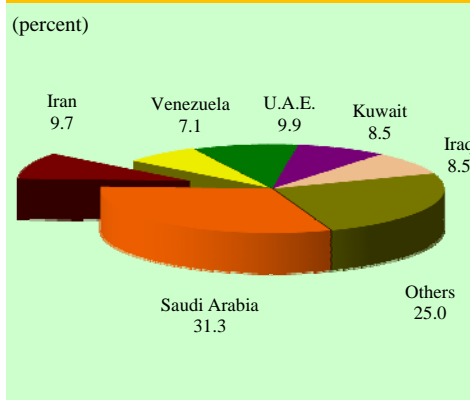


Table 3.1. OPEC Primary Energy Consumption in 2013¹

(million tons oil equivalent)

| | Oil | Natural gas | Coal | Nuclear energy | Hydroelectricity | Renewable energies | Total |
|----------------------------|--------------|--------------|------------|----------------|------------------|--------------------|--------------|
| Middle East members | 293.8 | 339.4 | 0.7 | 0.9 | 3.4 | 0.1 | 638.2 |
| Saudi Arabia | 135.0 | 92.7 | 0.0 | 0.0 | 0.0 | 0.0 | 227.7 |
| Iran | 92.9 | 146.0 | 0.7 | 0.9 | 3.4 | 0.1 | 243.9 |
| Kuwait | 21.8 | 16.0 | 0.0 | 0.0 | 0.0 | 0.0 | 37.8 |
| United Arab Emirates | 35.6 | 61.5 | 0.0 | 0.0 | 0.0 | 0.0 | 97.1 |
| Qatar | 8.5 | 23.3 | 0.0 | 0.0 | 0.0 | 0.0 | 31.8 |
| Other members | 65.2 | 57.1 | 0.2 | 0.0 | 21.5 | 0.1 | 144.2 |
| OPEC | 359.0 | 396.5 | 0.9 | 0.9 | 24.9 | 0.1 | 782.4 |

Source: BP Statistical Review of World Energy 2014.

¹ Excludes Iraq, Nigeria, Libya, and Angola.

Table 3.2. OPEC Crude Oil Proven Reserves

(billion barrels)

| | Year-end | | | Percentage change | | Share (percent) | |
|----------------------------|----------------|----------------|----------------|-------------------|------------|-----------------|--------------|
| | 2011 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Middle East members | 786.3 | 797.4 | 797.3 | 1.4 | 0.0 | 65.7 | 65.7 |
| Saudi Arabia | 265.4 | 265.9 | 265.9 | 0.2 | 0.0 | 21.9 | 21.9 |
| Iran | 154.6 | 157.0 | 157.0 | 1.6 | 0.0 | 12.9 | 12.9 |
| Iraq | 143.1 | 150.0 | 150.0 | 4.8 | 0.0 | 12.4 | 12.4 |
| Kuwait | 101.5 | 101.5 | 101.5 | 0.0 | 0.0 | 8.4 | 8.4 |
| United Arab Emirates | 97.8 | 97.8 | 97.8 | 0.0 | 0.0 | 8.1 | 8.1 |
| Qatar | 23.9 | 25.2 | 25.1 | 5.4 | -0.4 | 2.1 | 2.1 |
| Other members | 412.7 | 416.5 | 417.0 | 0.9 | 0.1 | 34.3 | 34.3 |
| OPEC | 1,199.0 | 1,213.8 | 1,214.2 | 1.2 | 0.0 | 100.0 | 100.0 |

Source: BP Statistical Review of World Energy 2014.

Production Ceiling

The OPEC Conference, in its 163rd Meeting held in Vienna, on May 31, 2013, kept the production ceiling unchanged at 30.0 mb/d. In the 164th Meeting held in Vienna on December 4, 2013, OPEC agreed to keep its production ceiling at 30.0 mb/d.

Oil Consumption

In 2013, average oil consumption in OPEC member countries¹ amounted to 8.0 mb/d, indicating 4.0 percent increase compared with 2012. The highest amount of consumption was related to Saudi Arabia by 3.1 mb/d, and the lowest to Ecuador by 0.2 mb/d. Iran's consumption was 2.0 mb/d, accounting for 25.0 percent of total OPEC consumption².

Natural Gas Proven Reserves

OPEC natural gas proven reserves reached 94.9 trillion cubic meters at end-2013, remaining unchanged compared with the previous year-end. Iran and Qatar with 33.8 and 24.7 trillion cubic meters had the largest reserves among member countries.

Natural Gas Production³

In 2013, OPEC natural gas production amounted to 655.3 billion cubic meters, indicating 0.4 percent increase compared with 2012. Iran, which had a production of 166.6 billion cubic meters, enjoyed the highest share of OPEC natural gas production by 25.4 percent. Qatar, with a production of 158.5 billion cubic meters of natural gas and a share of 24.2 percent, ranked second.

Table 3.3. OPEC Crude Oil Production¹

(thousand b/d)

| | 2011 | 2012 | 2013 | Percentage change | | Share (percent) | |
|----------------------------|-----------------|-----------------|-----------------|-------------------|-------------|-----------------|--------------|
| | | | | 2012 | 2013 | 2012 | 2013 |
| Middle East members | 26,338.4 | 27,031.4 | 26,992.5 | 2.6 | -0.1 | 72.2 | 73.3 |
| Saudi Arabia | 11,143.8 | 11,634.5 | 11,525.5 | 4.4 | -0.9 | 31.1 | 31.3 |
| Iran | 4,358.2 | 3,751.3 | 3,558.3 | -13.9 | -5.1 | 10.0 | 9.7 |
| Iraq | 2,801.1 | 3,116.0 | 3,141.0 | 11.2 | 0.8 | 8.3 | 8.5 |
| Kuwait | 2,880.2 | 3,164.8 | 3,126.1 | 9.9 | -1.2 | 8.5 | 8.5 |
| United Arab Emirates | 3,318.7 | 3,398.9 | 3,646.5 | 2.4 | 7.3 | 9.1 | 9.9 |
| Qatar | 1,836.4 | 1,965.8 | 1,995.1 | 7.0 | 1.5 | 5.3 | 5.4 |
| Other members | 9,615.2 | 10,395.4 | 9,836.0 | 8.1 | -5.4 | 27.8 | 26.7 |
| OPEC | 35,953.6 | 37,426.7 | 36,828.5 | 4.1 | -1.6 | 100.0 | 100.0 |

Source: BP Statistical Review of World Energy 2014.

¹ Includes NGL, shale oil, and oil sands.

Table 3.4. OPEC Oil Consumption¹

(thousand b/d)

| | 2011 | 2012 | 2013 | Percentage change | | Share (percent) | |
|----------------------------|----------------|----------------|----------------|-------------------|------------|-----------------|--------------|
| | | | | 2012 | 2013 | 2012 | 2013 |
| Middle East members | 6,113.6 | 6,402.7 | 6,611.6 | 4.7 | 3.3 | 83.0 | 82.4 |
| Saudi Arabia | 2,835.4 | 2,989.4 | 3,074.7 | 5.4 | 2.9 | 38.7 | 38.3 |
| Iran ² | 1,878.4 | 1,926.9 | 2,002.4 | 2.6 | 3.9 | 25.0 | 25.0 |
| Kuwait | 466.2 | 490.1 | 494.4 | 5.1 | 0.9 | 6.4 | 6.2 |
| United Arab Emirates | 699.0 | 748.0 | 772.7 | 7.0 | 3.3 | 9.7 | 9.6 |
| Qatar | 234.6 | 248.3 | 267.4 | 5.8 | 7.7 | 3.2 | 3.3 |
| Other members | 1,334.3 | 1,312.5 | 1,410.2 | -1.6 | 7.4 | 17.0 | 17.6 |
| OPEC³ | 7,447.9 | 7,715.2 | 8,021.8 | 3.6 | 4.0 | 100.0 | 100.0 |

Source: BP Statistical Review of World Energy 2014.

¹ Includes domestic demand for oil, aviation and marine fuels, fuel for refineries and oil wastes.

² Data related to Iran are overestimated.

³ Excludes Iraq, Nigeria, Libya, and Angola.

¹ Excludes Iraq, Nigeria, Libya, and Angola.

² Estimations released by the BP are higher than figures published by the Ministry of Petroleum.

³ Includes commercial production and consumed gas.

Natural Gas Consumption

In 2013, OPEC natural gas consumption amounted to 440.5 billion cubic meters, showing 2.2 percent rise compared with the previous year. Consumption of natural gas

by Middle East members reached 377.2 billion cubic meters, up by 2.5 percent compared with 2012, and constituting 85.6 percent of total consumption.

Table 3.5. OPEC Natural Gas Proven Reserves (trillion cubic meters)

| | Year-end | | | Percentage change | | Share (percent) | |
|----------------------------|-------------|-------------|-------------|-------------------|------------|-----------------|--------------|
| | 2011 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Middle East members | 78.3 | 78.2 | 78.2 | 0.1 | 0.0 | 82.4 | 82.4 |
| Saudi Arabia | 8.2 | 8.2 | 8.2 | 0.0 | 0.0 | 8.6 | 8.6 |
| Iran | 33.6 | 33.6 | 33.8 | 0.0 | 0.6 | 35.4 | 35.6 |
| Iraq | 3.6 | 3.6 | 3.6 | 0.0 | 0.0 | 3.8 | 3.8 |
| Kuwait | 1.8 | 1.8 | 1.8 | 0.0 | 0.0 | 1.9 | 1.9 |
| United Arab Emirates | 6.1 | 6.1 | 6.1 | 0.0 | 0.0 | 6.4 | 6.4 |
| Qatar | 25.0 | 24.9 | 24.7 | 0.4 | -0.8 | 26.2 | 26.0 |
| Other members | 16.7 | 16.7 | 16.7 | 0.0 | 0.0 | 17.6 | 17.6 |
| OPEC¹ | 95.0 | 94.9 | 94.9 | -0.1 | 0.0 | 100.0 | 100.0 |

Source: BP Statistical Review of World Energy 2014.

¹Excludes Angola and Ecuador.

Table 3.6. OPEC Natural Gas Production (billion cubic meters)

| | 2011 | 2012 | 2013 | Percentage change | | Share (percent) | |
|----------------------------|--------------|--------------|--------------|-------------------|-------------|-----------------|--------------|
| | | | | 2012 | 2013 | 2012 | 2013 |
| Middle East members | 456.1 | 486.2 | 500.3 | 6.6 | 2.9 | 74.5 | 76.3 |
| Saudi Arabia | 92.3 | 99.3 | 103.0 | 7.6 | 3.7 | 15.2 | 15.7 |
| Iran | 151.8 | 165.6 | 166.6 | 9.1 | 0.6 | 25.4 | 25.4 |
| Iraq | 0.9 | 0.7 | 0.6 | -22.2 | -14.3 | 0.1 | 0.1 |
| Kuwait | 13.5 | 15.5 | 15.6 | 14.8 | 0.6 | 2.4 | 2.4 |
| United Arab Emirates | 52.3 | 54.3 | 56.0 | 3.8 | 3.1 | 8.3 | 8.5 |
| Qatar | 145.3 | 150.8 | 158.5 | 3.8 | 5.1 | 23.1 | 24.2 |
| Other members | 162.5 | 166.5 | 155.1 | 2.5 | -6.8 | 25.5 | 23.7 |
| OPEC¹ | 618.6 | 652.7 | 655.3 | 5.5 | 0.4 | 100.0 | 100.0 |

Source: BP Statistical Review of World Energy 2014.

¹Excludes Angola and Ecuador.

Table 3.7. OPEC Natural Gas Consumption¹ (billion cubic meters)

| | 2011 | 2012 | 2013 | Percentage change | | Share (percent) | |
|----------------------------|--------------|--------------|--------------|-------------------|------------|-----------------|--------------|
| | | | | 2012 | 2013 | 2012 | 2013 |
| Middle East members | 347.2 | 368.1 | 377.2 | 6.0 | 2.5 | 85.4 | 85.6 |
| Saudi Arabia | 92.3 | 99.3 | 103.0 | 7.6 | 3.7 | 23.0 | 23.4 |
| Iran | 153.5 | 161.5 | 162.2 | 5.2 | 0.4 | 37.5 | 36.8 |
| Kuwait | 17.0 | 18.2 | 17.8 | 7.1 | -2.2 | 4.2 | 4.0 |
| United Arab Emirates | 62.5 | 65.6 | 68.3 | 5.0 | 4.1 | 15.2 | 15.5 |
| Qatar | 21.9 | 23.5 | 25.9 | 7.3 | 10.2 | 5.4 | 5.9 |
| Other members | 61.7 | 63.1 | 63.4 | 2.3 | 0.5 | 14.6 | 14.4 |
| OPEC | 408.9 | 431.2 | 440.5 | 5.5 | 2.2 | 100.0 | 100.0 |

Source: BP Statistical Review of World Energy 2014.

¹Excludes Iraq, Nigeria, Libya, and Angola.

Iran

Production and Exports of Crude Oil

In 1392, Iran's average crude oil production was in adherence to the quotas set by the OPEC. According to the Ministry of Petroleum, average crude oil exports decreased by 10.9 percent to 1.6 mb/d and exports of oil products fell by 4.2 percent to 99 thousand b/d. Moreover, Iran's medium crude oil spot price declined by 2.2 percent, compared with the previous year, to \$105.32 a barrel on average.

Domestic consumption of oil products reached 1,731 thousand b/d in 1392. Consumption of gas oil and gasoline reached 576 thousand b/d and 465 thousand b/d, accounting for 33.3 and 26.9 percent of total consumption of oil products, respectively.

Natural Gas

With the development of gas supply systems in urban and rural areas, domestic consumption of natural gas increased by 1.4 percent to 154.1 billion cubic meters in 1392. The share of "residential, commercial, and industrial sectors" in total natural gas consumption was 57.2 percent, "power plants" 23.5 percent, and "major industries" 19.3 percent. After the implementation of Subsidy Reform Plan, natural gas consumption followed an upward trend and in 1392, it recorded 1.4 percent growth, as against -0.5 percent growth of 1391.

Electricity

In 1392, Iran's electricity generation amounted to 258.7 billion kWh, showing 4.3 percent growth compared with the year before. Of total generated electricity, 222.0 billion kWh (85.8 percent) was related to

power plants affiliated to the Ministry of Energy and 36.7 billion kWh (14.2 percent) to other institutions (including private sector and large industries).

The highest amount of electricity was generated by gas and combined cycle power plants (120.0 billion kWh) and the lowest by hydroelectric, diesel, and wind power plants (14.8 billion kWh). Hydroelectric, diesel, and wind power plants experienced the highest growth in electricity generation by 16.3 percent. The amount of electricity generated by steam power plants declined by 1.6 percent.

Electricity consumption amounted to 206.0 billion kWh in 1392, up by 5.5 percent compared with the year before. The highest growth of consumption was related to residential sector with 7.1 percent. Moreover, growth in electricity consumption by industrial sector was 5.2 percent, by commercial sector 5.9 percent, and by agriculture sector 6.8 percent. Electricity consumption by the public sector remained almost unchanged compared with 1391 and for street lighting, it experienced 1.4 percent decline. Industrial and residential sectors had the highest shares in electricity consumption by 34.3 and 32.0 percent, respectively.

In 1392, electricity exports rose by 4.4 percent to 11.4 billion kWh. Electricity imports rose by 12.5 percent to 2.5 billion kWh. Therefore, net exports of electricity increased by 2.3 percent to 8.9 billion kWh. Iran imported electricity from Turkmenistan in this year and about 68.2 percent of electricity exports were related to Iraq.