

In 2014 and the first quarter of 2015, international crude oil markets experienced declining trends. A host of factors were responsible for the reduction of crude oil prices. Excess oil supply and low demand in the international market, increase in production and supply of unconventional oil, buildup of US crude stocks, deceleration of global growth, alleviation of tensions in the relations of Iran and the West, and appreciation of the US dollar vis-à-vis the euro were among factors that led to a fall in the price of crude oil.

The year 2014 was witness to two Meetings of the OPEC Conference. The 165<sup>th</sup> Meeting of the OPEC Conference was held in Vienna, capital city of Austria, on June 10, 2014 during which the OPEC production ceiling was kept unchanged at 30.0 mb/d. In addition to Iran, Saudi Arabia, and Iraq, two other countries namely Algeria and Nigeria were also added to candidates for Secretary General Position. At the 166<sup>th</sup> Meeting of the OPEC Conference convened

in Vienna, on November 27, 2014, OPEC agreed to maintain its production ceiling of 30.0 mb/d.

## OPEC

### Primary Energy Consumption

Primary energy consumption by the OPEC member countries rose from 797.9 million tons oil equivalent in 2013 to 837.2 million tons oil equivalent in 2014. 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 685.5 million tons oil equivalent, accounted for higher consumption as compared with other members (Venezuela, Ecuador, and Algeria). Iran, with 252.0 million tons oil equivalent, ranked first, followed by Saudi Arabia, with 239.5 million tons oil equivalent.

**Table 3.1. OPEC Primary Energy Consumption in 2014<sup>1</sup>** (million tons oil equivalent)

	Oil	Natural gas	Coal	Nuclear energy	Hydroelectricity	Renewable energies	Total
<b>Middle East members</b>	<b>306.8</b>	<b>371.4</b>	<b>2.7</b>	<b>1.0</b>	<b>3.4</b>	<b>0.1</b>	<b>685.5</b>
Saudi Arabia	142.0	97.4	0.1	0.0	0.0	0.0	239.5
Iran	93.2	153.2	1.1	1.0	3.4	0.1	252.0
Kuwait	22.2	18.1	0.0	0.0	0.0	0.0	40.3
United Arab Emirates	39.3	62.4	1.5	0.0	0.0	0.0	103.2
Qatar	10.1	40.3	0.0	0.0	0.0	0.0	50.5
<b>Other members</b>	<b>68.6</b>	<b>61.1</b>	<b>0.4</b>	<b>0.0</b>	<b>21.3</b>	<b>0.2</b>	<b>151.7</b>
<b>OPEC</b>	<b>375.4</b>	<b>432.5</b>	<b>3.1</b>	<b>1.0</b>	<b>24.7</b>	<b>0.3</b>	<b>837.2</b>

Source: BP Statistical Review of World Energy 2015.

<sup>1</sup> Excludes Iraq, Nigeria, Libya, and Angola.

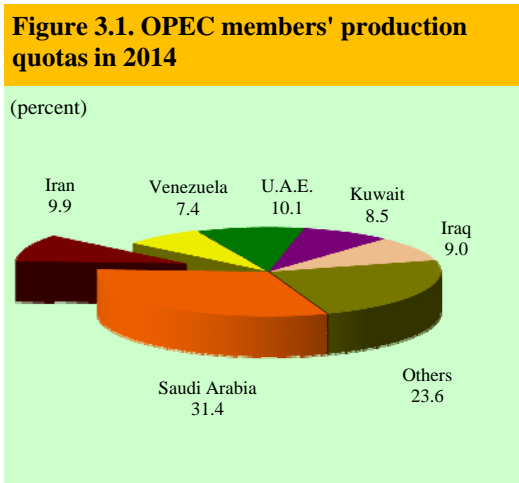
**Crude Oil Proven Reserves**

At end-2014, crude oil proven reserves located in OPEC member countries reached 1,216.5 billion barrels, showing 0.1 percent growth compared with 2013 year-end. Among OPEC member countries, the largest reserves, by 298.3 billion barrels, belonged to Venezuela, followed by Saudi Arabia, with 267.0 billion barrels. Iran, with 157.8 billion barrels, ranked third among OPEC member countries.

**Crude Oil Production**

In 2014, average OPEC crude oil production, with 0.1 percent decrease compared with 2013, amounted to 36.6 mb/d. Production of OPEC Middle East members, with 1.4 percent increase, totaled 27.2 mb/d and production of other members fell by 4.3

percent to 9.4 mb/d. The highest amount of production was related to Saudi Arabia with 11.5 mb/d, and a share of 31.4 percent in total OPEC crude oil production.



**Table 3.2. OPEC Crude Oil Proven Reserves** (billion barrels)

	Year-end			Percentage change		Share (percent)	
	2012	2013	2014	2013	2014	2013	2014
<b>Middle East members</b>	<b>797.7</b>	<b>798.1</b>	<b>799.8</b>	<b>0.0</b>	<b>0.2</b>	<b>65.7</b>	<b>65.7</b>
Saudi Arabia	265.9	265.9	267.0	0.0	0.4	21.9	21.9
Iran	157.3	157.8	157.8	0.3	0.0	13.0	13.0
Iraq	150.0	150.0	150.0	0.0	0.0	12.3	12.3
Kuwait	101.5	101.5	101.5	0.0	0.0	8.4	8.3
United Arab Emirates	97.8	97.8	97.8	0.0	0.0	8.1	8.0
Qatar	25.2	25.1	25.7	-0.4	2.4	2.1	2.1
<b>Other members</b>	<b>416.6</b>	<b>416.9</b>	<b>416.7</b>	<b>0.0</b>	<b>0.0</b>	<b>34.3</b>	<b>34.3</b>
<b>OPEC</b>	<b>1,214.3</b>	<b>1,214.9</b>	<b>1,216.5</b>	<b>0.0</b>	<b>0.1</b>	<b>100.0</b>	<b>100.0</b>

Source: BP Statistical Review of World Energy 2015.

**Table 3.3. OPEC Crude Oil Production<sup>1</sup>** (thousand b/d)

				Percentage change		Share (percent)	
	2012	2013	2014	2013	2014	2013	2014
<b>Middle East members</b>	<b>27,039.3</b>	<b>26,839.1</b>	<b>27,220.7</b>	<b>-0.7</b>	<b>1.4</b>	<b>73.3</b>	<b>74.4</b>
Saudi Arabia	11,634.5	11,393.1	11,504.7	-2.1	1.0	31.1	31.4
Iran	3,742.4	3,525.0	3,614.3	-5.8	2.5	9.6	9.9
Iraq	3,116.0	3,141.0	3,285.3	0.8	4.6	8.6	9.0
Kuwait	3,171.9	3,134.6	3,122.9	-1.2	-0.4	8.6	8.5
United Arab Emirates	3,406.1	3,647.6	3,711.6	7.1	1.8	10.0	10.1
Qatar	1,968.3	1,997.8	1,981.9	1.5	-0.8	5.5	5.4
<b>Other members</b>	<b>10,433.2</b>	<b>9,789.0</b>	<b>9,372.5</b>	<b>-6.2</b>	<b>-4.3</b>	<b>26.7</b>	<b>25.6</b>
<b>OPEC</b>	<b>37,472.5</b>	<b>36,628.1</b>	<b>36,593.1</b>	<b>-2.3</b>	<b>-0.1</b>	<b>100.0</b>	<b>100.0</b>

Source: BP Statistical Review of World Energy 2015.

<sup>1</sup> Includes NGL, shale oil, and oil sands.

## Production Ceiling

The OPEC Conference, in its 165<sup>th</sup> Meeting held in Vienna, on June 10, 2014, kept the production ceiling unchanged at 30.0 mb/d. In the 166<sup>th</sup> Meeting held in Vienna on November 27, 2014, OPEC agreed to keep its production ceiling at 30.0 mb/d.

## Oil Consumption

In 2014, average oil consumption in OPEC member countries<sup>1</sup> amounted to 8.4 mb/d, indicating 3.6 percent increase compared with 2013. The highest amount of consumption was related to Saudi Arabia by 3.2 mb/d, and the lowest to Ecuador by 0.3 mb/d. Iran's consumption was 2.0 mb/d, accounting for 24.2 percent of total OPEC consumption<sup>2</sup>.

## Natural Gas Proven Reserves

OPEC natural gas proven reserves reached 94.9 trillion cubic meters at end-2014, down by 0.1 percent compared with the previous year-end. Iran and Qatar with 34.0 and 24.5 trillion cubic meters had the largest reserves among member countries.

## Natural Gas Production<sup>3</sup>

In 2014, OPEC natural gas production amounted to 696.2 billion cubic meters, indicating 3.9 percent increase compared with 2013. Qatar, which had a production of 177.2 billion cubic meters, enjoyed the highest share of OPEC natural gas production by 25.5 percent. Iran, with a production of 172.6 billion cubic meters of natural gas and a share of 24.8 percent, ranked second.

**Table 3.4. OPEC Oil Consumption<sup>1</sup>**

(thousand b/d)

	2012	2013	2014	Percentage change		Share (percent)	
				2013	2014	2013	2014
<b>Middle East members</b>	<b>6,410.9</b>	<b>6,616.3</b>	<b>6,894.9</b>	<b>3.2</b>	<b>4.2</b>	<b>81.9</b>	<b>82.3</b>
Saudi Arabia	2,990.8	2,999.5	3,185.5	0.3	6.2	37.1	38.0
Iran <sup>2</sup>	1,928.2	2,038.4	2,024.4	5.7	-0.7	25.2	24.2
Kuwait	487.3	505.5	504.6	3.7	-0.2	6.3	6.0
United Arab Emirates	753.9	787.3	873.0	4.4	10.9	9.7	10.4
Qatar	250.7	285.6	307.4	13.9	7.6	3.5	3.7
<b>Other members</b>	<b>1,365.0</b>	<b>1,462.4</b>	<b>1,477.9</b>	<b>7.1</b>	<b>1.1</b>	<b>18.1</b>	<b>17.7</b>
<b>OPEC<sup>3</sup></b>	<b>7,775.9</b>	<b>8,078.7</b>	<b>8,372.8</b>	<b>3.9</b>	<b>3.6</b>	<b>100.0</b>	<b>100.0</b>

Source: BP Statistical Review of World Energy 2015.

<sup>1</sup>Includes domestic demand for oil, aviation and marine fuels, fuel

for refineries and oil wastes.

<sup>2</sup>Data related to Iran are overestimated.

<sup>3</sup>Excludes Iraq, Nigeria, Libya, and Angola.

**Table 3.5. OPEC Natural Gas Proven Reserves**

(trillion cubic meters)

	Year-end			Percentage change		Share (percent)	
	2012	2013	2014	2013	2014	2013	2014
<b>Middle East members</b>	<b>78.2</b>	<b>78.4</b>	<b>78.2</b>	<b>0.3</b>	<b>-0.3</b>	<b>82.5</b>	<b>82.4</b>
Saudi Arabia	8.1	8.2	8.2	1.2	0.0	8.6	8.6
Iran	33.8	34.0	34.0	0.6	0.0	35.8	35.8
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	24.9	24.7	24.5	-0.8	-0.8	26.0	25.8
<b>Other members</b>	<b>16.7</b>	<b>16.7</b>	<b>16.7</b>	<b>0.0</b>	<b>0.0</b>	<b>17.6</b>	<b>17.6</b>
<b>OPEC<sup>1</sup></b>	<b>94.9</b>	<b>95.0</b>	<b>94.9</b>	<b>0.1</b>	<b>-0.1</b>	<b>100.0</b>	<b>100.0</b>

Source: BP Statistical Review of World Energy 2015.

<sup>1</sup>Excludes Angola and Ecuador.

<sup>1</sup>Excludes Iraq, Nigeria, Libya, and Angola.

<sup>2</sup>Estimations released by the BP are higher than figures published by the Ministry of Petroleum.

<sup>3</sup>Includes commercial production and consumed gas.

### Natural Gas Consumption

In 2014, OPEC natural gas consumption amounted to 480.6 billion cubic meters, showing 6.6 percent rise compared with the previous year. Consumption of natural gas by Middle East members reached 412.6 billion cubic meters, up by 7.0 percent compared with 2013, and constituting 85.9 percent of total consumption.

### Iran

#### Production and Exports of Crude Oil

In 1393, Iran's average crude oil production decreased in the aftermath of economic restrictions. According to the Ministry of

Petroleum, average crude oil exports decreased by 16.4 percent to 1.3 mb/d while exports of oil products rose by 20.0 percent to 119 thousand b/d. Moreover, Iran's medium crude oil spot price declined by 21.1 percent, compared with the previous year, to \$83.1 a barrel on average.

Domestic consumption of oil products reached 1,558 thousand b/d in 1393, indicating 10.0 percent decrease compared with the year before. Consumption of gas oil and gasoline reached 529 thousand b/d and 433 thousand b/d, accounting for 33.9 and 27.8 percent of total consumption of oil products, respectively.

**Table 3.6. OPEC Natural Gas Production**

(billion cubic meters)

	2012	2013	2014	Percentage change		Share (percent)	
				2013	2014	2013	2014
<b>Middle East members</b>	<b>505.9</b>	<b>512.6</b>	<b>533.5</b>	<b>1.3</b>	<b>4.1</b>	<b>76.5</b>	<b>76.6</b>
Saudi Arabia	99.3	100.0	108.2	0.7	8.2	14.9	15.5
Iran	165.6	164.0	172.6	-1.0	5.2	24.5	24.8
Iraq	0.6	1.2	1.3	100.0	8.3	0.2	0.2
Kuwait	15.5	16.3	16.4	5.2	0.6	2.4	2.4
United Arab Emirates	54.3	54.6	57.8	0.6	5.9	8.2	8.3
Qatar	170.5	176.5	177.2	3.5	0.4	26.4	25.5
<b>Other members</b>	<b>166.5</b>	<b>157.1</b>	<b>162.7</b>	<b>-5.6</b>	<b>3.6</b>	<b>23.5</b>	<b>23.4</b>
<b>OPEC<sup>1</sup></b>	<b>672.4</b>	<b>669.8</b>	<b>696.2</b>	<b>-0.4</b>	<b>3.9</b>	<b>100.0</b>	<b>100.0</b>

Source: BP Statistical Review of World Energy 2015.

<sup>1</sup>Excludes Angola and Ecuador.

**Table 3.7. OPEC Natural Gas Consumption<sup>1</sup>**

(billion cubic meters)

	2012	2013	2014	Percentage change		Share (percent)	
				2013	2014	2013	2014
<b>Middle East members</b>	<b>385.8</b>	<b>385.7</b>	<b>412.6</b>	<b>7.5</b>	<b>7.0</b>	<b>85.6</b>	<b>85.9</b>
Saudi Arabia	99.3	100.0	108.2	0.7	8.2	22.2	22.5
Iran	161.5	159.4	170.2	-1.3	6.8	35.4	35.4
Kuwait	18.4	18.5	20.1	0.5	8.6	4.1	4.2
United Arab Emirates	65.6	66.8	69.3	1.8	3.7	14.8	14.4
Qatar	41.0	41.0	44.8	0.0	9.3	9.1	9.3
<b>Other members</b>	<b>63.3</b>	<b>65.0</b>	<b>67.9</b>	<b>2.7</b>	<b>4.5</b>	<b>14.4</b>	<b>14.1</b>
<b>OPEC</b>	<b>449.1</b>	<b>450.7</b>	<b>480.6</b>	<b>0.4</b>	<b>6.6</b>	<b>100.0</b>	<b>100.0</b>

Source: BP Statistical Review of World Energy 2015.

<sup>1</sup>Excludes Iraq, Nigeria, Libya, and Angola.

### Natural Gas

With the development of gas supply systems in urban and rural areas, domestic consumption of natural gas increased by 11.7 percent to 172.1 billion cubic meters in 1393. The share of "residential, commercial, and industrial sectors" in total natural gas consumption was 52.1 percent, "power plants" 29.0 percent, and "major industries" 18.9 percent.

### Electricity

In 1393, Iran's electricity generation amounted to 274.5 billion kWh, showing 4.2 percent growth compared with the year before. Of total generated electricity, 129.3 billion kWh (47.1 percent) was related to power plants affiliated to the Ministry of Energy and 145.2 billion kWh (52.9 percent) to other institutions (including private sector and large industries).

The highest amount of electricity was generated by steam power plants (60.0

billion kWh) and the lowest by hydro-electric, diesel, wind, and nuclear power plants (18.7 billion kWh). The amount of electricity generated by power plants affiliated to the Ministry of Energy experienced reduction in 1393, mainly due to the privatization of these plants. The highest fall by 57.9 percent was related to gas and combined cycle power plants.

Electricity consumption amounted to 219.7 billion kWh in 1393, up by 6.7 percent compared with the year before. The highest growth of consumption was related to commercial sector with 15.0 percent. Moreover, growth in electricity consumption by industrial sector was 5.3 percent, public sector 13.3 percent, residential sector 8.1 percent, and agriculture sector 0.7 percent. Moreover, electricity consumption for street lighting experienced 1.5 percent increase. Industrial and residential sectors had the highest shares in electricity consumption by 33.8 and 32.4 percent, respectively.