

Turkish Oil Sector

Turkey's oil production amounts to approximately 0.1% of global total oil production.

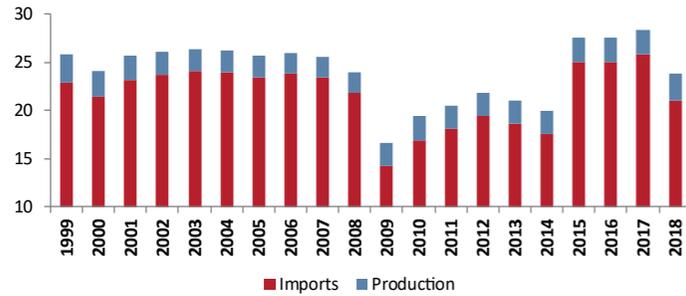
0.1% Turkey's oil production of global total

Turkey has a high level of oil import dependency in the sector due to its limited resources.

55% of total oil imports are crude oil imports, while the second most imported item is diesel, constituting a large part of domestic fuel demand.

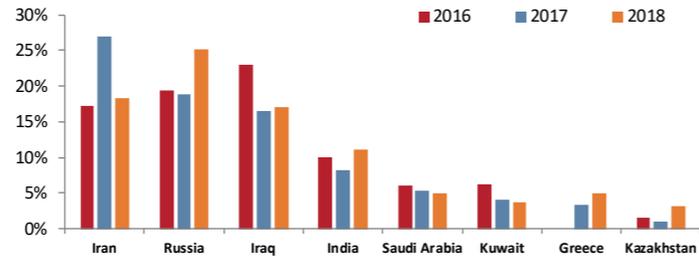
Iran, Russia, Iraq are the top three countries in terms of their share in total oil imports.

million tonnes Crude Oil Production and Imports in Turkey



Source: EMRA Oil Sector Reports, TSKB Economic Research

Share of Oil Products' Imports



Source: EMRA Oil Sector Reports, TSKB Economic Research

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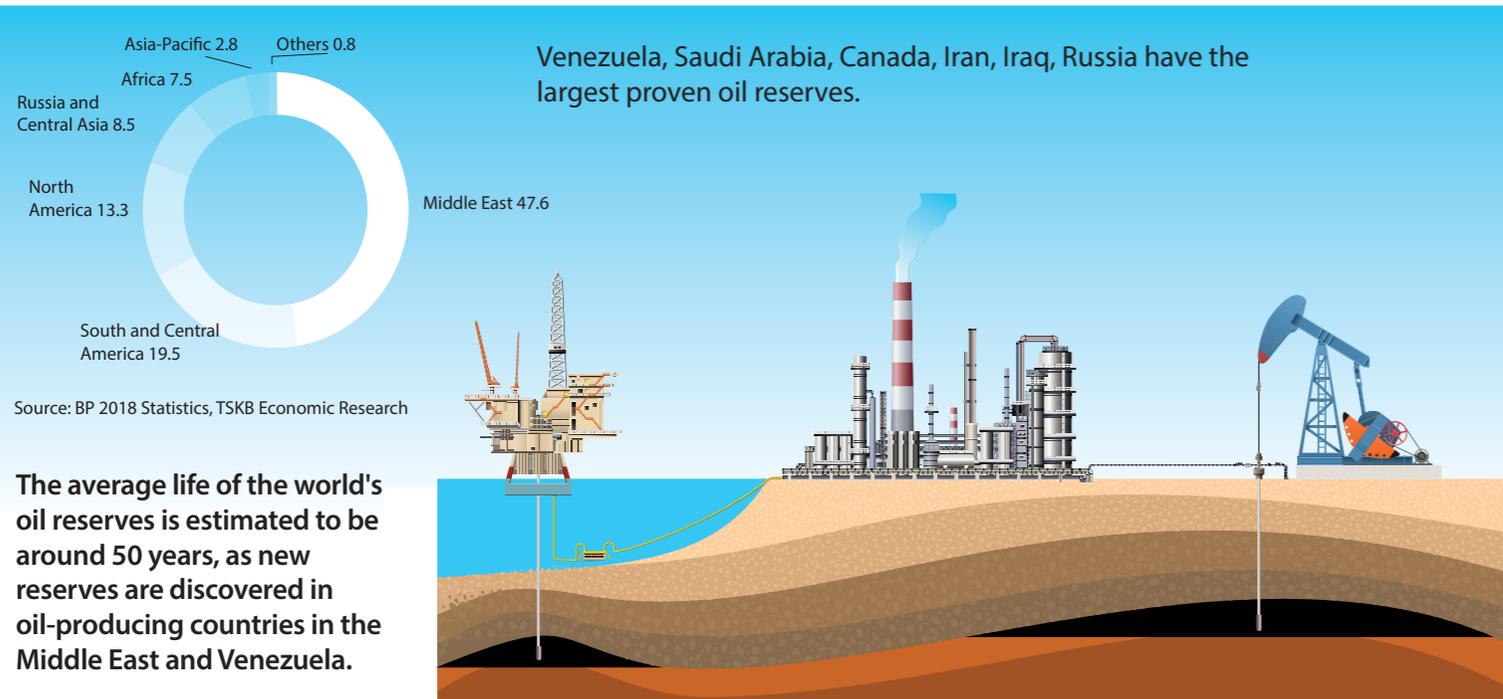
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On a regional basis, it is seen that the Middle East was home to the largest proportion of the world's oil reserves as of the end of 2017.

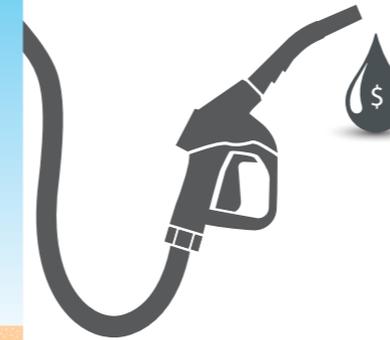


The average life of the world's oil reserves is estimated to be around 50 years, as new reserves are discovered in oil-producing countries in the Middle East and Venezuela.

Movements in Oil Prices

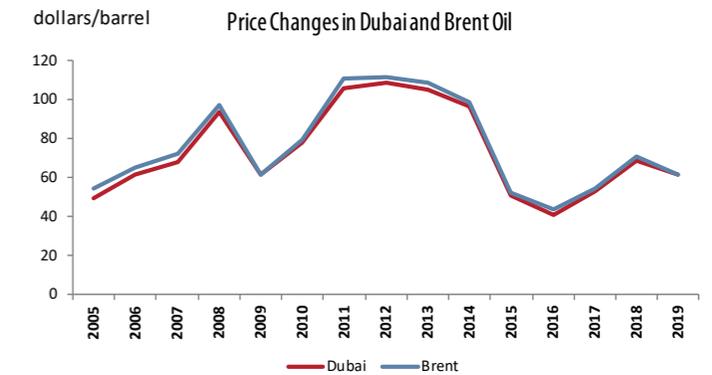
Factors Influencing Oil Prices

- Reserve and stock status and production amounts in oil-producing countries
- Decisions taken to increase / decrease production by oil exporting countries (OPEC, OPEC+ etc.)
- The progress of new investments and current production of shale oil producers
- Global economic growth rates, especially in net oil importing countries
- Investment costs required to discover and process new oil wells
- Political developments and sanctions, trade wars and legal regulations in oil producing countries
- The growth rate of electric vehicles in major oil consumption areas
- Climate change and low carbon policies
- The growth rate of petrochemical sector

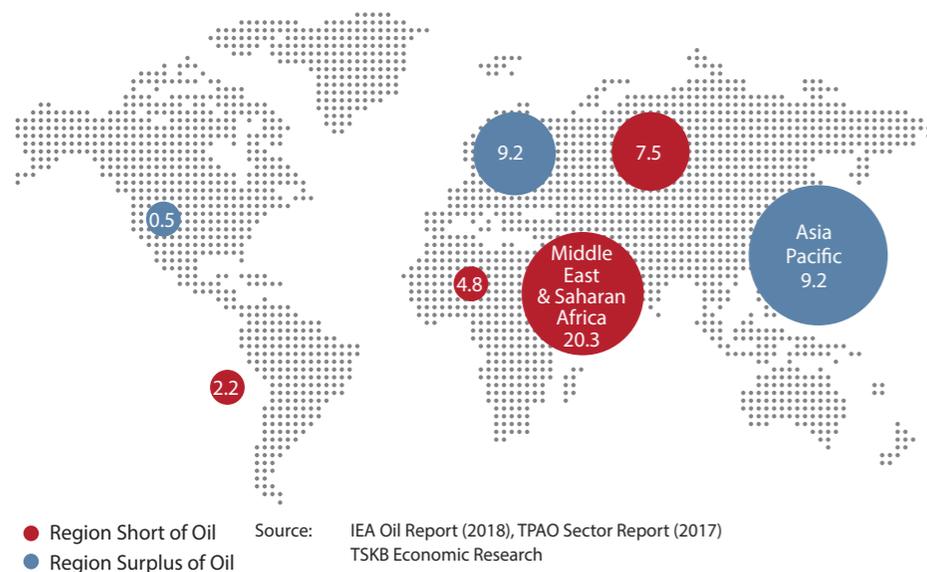


Reasons of Recent Fluctuation in Prices

- The end of the exemptions granted to some countries from the sanctions imposed against Iran in May 2019
- Trade wars between countries (such as between the US and China) which have the potential to spread to other regions
- Political developments in oil-producing countries
- Expectation of a slowdown in the medium-term growth rates of major oil-consuming countries
- Supply surplus, state of US stocks and the development of shale oil supplies



Oil Deficit and Surplus Regions by 2023



According to estimates of the oil deficit/surplus in 2023, the Middle East will continue to dominate the oil trade as the main supplier region.

The world's largest non-conventional oil producer, the US, has turned into a net oil exporter in the last ten years due to the newly discovered shale oil reserves.

The non-producing regions with the highest oil demand will be Asia and Europe.