

SPECIAL REPORT

YEAR AHEAD ENERGY OUTLOOK



Consultancy
Intelligence
Publishing



The World's Top 50+ Energy Markets Analysts

CONTENTS PAGE

02 Foreword The High Stakes of AI in Energy Trading: Navigating Opportunity and Risk
Dyala Sabbagh, Editor in Chief, Gulf Intelligence

ASIA

- 06 Asia's Role in Shaping Global Oil Markets Remains Pivotal**
Mukesh Sahdev, Global Head Commodity Markets, Rystad Energy
- 08 India's Energy Security Hinges on Diversifying Supply and Balancing Strategic Relationships**
Narendra Taneja, India's Leading Energy Expert
- 10 China's Economic Outlook is Shifting to Optimistic**
Jorge Montepeque, Managing Director, Benchmarks, Onyx Capital Group
- 12 2025 – A Transformative Year for Asia's Oil and Refining Markets**
Vandana Hari, Founder & CEO, Vanda Insights
- 15 A Fragile Landscape for Asia's Economy and Energy Markets**
Peter McGuire, CEO, XM Australia
- 16 China's Transition to Greener Technologies is a Bellwether for Global Energy Markets**
Dr. Wang Zhen, President, CNOOC Energy Economics Institue
- 19 New Energy Increasingly Driving China's Economic Growth**
Victor Yang, Senior Analyst, JLC Network Technology
- 20 China's Changing Growth Composition Detrimental to Oil Demand**
Clyde Russell, Asia Commodities Columnist, Thomson Reuters

- 21 Chinese Refineries Clearly Evolving to Focus on Chemicals**
Yan Chong Yaw, Independent Energy Analyst (Singapore)
- 22 China Holds a Significant Advantage to Align its BRI with Green Tech Objectives**
Bill Spindle, Senior Global Correspondent, Cipher News
- 23 LNG Prices Should Hover at \$14–15 per MMBtu in 2025**
Mriganka Jaipuriyar, Global Head, Metals and Agriculture News, S&P Global Commodity Insights
- 24 LNG Prices Should Remain Supported in 1H 2025**
Marc Howson, Head of Asia, Welligence Analytics
- 26 India's Oil Imports Not Commensurate to GDP Growth**
Ram Narayanan, Leading Energy Analyst
- 27 South Asian Economic Growth Compromising its Environmental Position**
Vibhuti Garg, Director – South Asia, IEEFA
- 28 Japan's AI and Tech Industries Driving Up Power Demand**
Yuriy Humber, Founder & President, Japan NRG Platform/Yuri Group
- 29 Renewables and Decentralized Energy Solutions Reshaping South Asia Energy Landscape**
Osama Rizvi, Energy & Economic Analyst, Primary Vision
- 30 TOP 10 OUTLOOK FOR ASIA ENERGY MARKETS IN 2025**

MIDDLE EAST

- 34 Investing in All Energies Makes Sense to Kuwait and All Mideast Oil Producers**
Sara Akbar, CEO, OILSERV Kuwait
- 36 Dark Fleet Dilemma: Why the Shadow Maritime Industry Needs Immediate Regulation**
H.E Shaikh Khaled Al-Sabah, Managing Director, International Marketing, Kuwait Petroleum Corporation & Acting CEO, Kuwait Oil Tanker Co
- 39 Energy Security & Energy Transition Are Complementary Opportunities, Not Competing interests**
Khamis Al Mazrouei, Deputy CEO and Executive Director of Operations, SNOG
- 40 This Year Will Be a Volatile Year Geopolitically in the Middle East**
Kate Dourian, FEI, MEES Contributing Editor & Non-Resident Fellow, The Arab Gulf States Institute in Washington
- 41 OPEC+ Should Seize the Opportunity Now to Secure Market Share**
Choeib Boutamine, Energy Advisor & CEO, Ranadrill Consulting
- 42 Can OPEC+ Return Volumes to the Market at the End of Q1?**
Amena Bakr, Senior Research Analyst, Energy Intelligence
- 44 OPEC+ Has Charted a Prudent Course**
Dr. Yousef M. Alshammari, FEI CSci, President, London College of Energy Economics
- 45 Geopolitics Playing More Crucial Role Than Fundamentals in Oil Market**
Omar Najia, Head of Trading (Derivatives), BB Energy
- 46 2025: A Stable Year with Minimal Geopolitical Upheaval**
Viktor Katona, Head of Oil Analysis, KPLER
- 47 Middle East Geopolitical Landscape Unlikely to Settle in 2025**
Mehmet Ögütçü, Group CEO, Global Resources Partnership, Chairman, London Energy Club

REPORT EDITOR
Dyala Sabbagh
Editor in Chief, GI

- 48 Middle East Faces a Year of Political Settlements, Reconstruction, & Removal of Sanctions**
Laury Haytayan, MENA Director, Natural Resource Governance Institute
- 49 Iran's Capacity to Leverage Hard Power in the Gulf Has Been Diminished**
Danial Rahmat, Senior Energy Security Consultant, Iran
- 50 Saudi Arabia's Cautious Approach to Expanding Oil Capacity Exemplifies a Long-term Strategy**
Dr. Carole Nakhle, CEO, Crystol Energy & President of Arab Energy Club

- 51 Gulf NOCs Pursuing Differing Strategies on Capacity Expansion**
Jamie Ingram, Senior Editor, Middle East Economic Survey

ARTIFICIAL INTELLIGENCE IN ENERGY

- 52 The AI Paradox: Navigating Strategy & Innovation in Energy**
Dr. Morgan Eldred, Founding Partner, Digital Energy
- 54 Harnessing AI's Potential: ADNOC's Path to Innovation**
Dr. Christopher Hayden Cooper, Executive Advisor, ADNOC
- 56 The Competitive Edge: AI's Transformative Role in Commodities Trading**
Richard Frey, CEO of INAIT

TOP 10 OUTLOOK FOR MIDDLE EAST ENERGY MARKETS IN 2025

EUROPE

- 62 Europe's Energy Crossroads: Securing a Resilient Future in a Post-Ukraine War Era**
Boyana Achovski, Secretary General, Gas Infrastructure Europe (GIE)
- 64 The Energy Transition is Proving Resilient, Hand in Hand with Energy Security**
Jarand Rystad, Founder & CEO, Rystad Energy

- 66 Germany Stands Firm on Decarbonization Despite Energy Security Challenges**
Kristina Haverkamp, Managing Director, German Energy Agency
- 68 What will Dominate Oil Markets in 2025 – Geopolitics, Demand, or OPEC+ Policy?**
Alex Schindelar, President, Energy Intelligence
- 70 Making Predictions for Oil Demand in 2025 Will Be Trickier Than Ever**
Marc Ostwald, Chief Economist & Global Strategist, ADM Investor Services International
- 71 Global Macroeconomic Uncertainty Hangs Over Oil Demand Growth**
Maleeha Bengali, Founder, MB Commodity Corner
- 72 The Energy Transition Is Progressing Regardless of Political or Economic Headwinds**
Adi Imsirovic, Director, Surrey Clean Energy & Senior Associate, CSIS

- 73 Respect for International Maritime Rules is Being Breached at Multiple Levels**
Michelle Wiese Bockmann, Principal Analyst, Lloyd's List Intelligence
- 74 The Shipping Sector Will Continue to Demonstrate Incredible Flexibility**
David Wech, Chief Economist, Vortexa
- 76 Europe's Energy Security Remains Fragile**
Ole Hansen, Head, Commodity Strategy, Saxo Bank
- 78 India Poised as Main Source of Short-term Incremental Oil Demand Growth**
Paul Horsnell, Head of Commodities Research, Standard Chartered Bank

TOP 10 OUTLOOK FOR EUROPEAN ENERGY MARKETS IN 2025

AMERICAS

- 84 Why Trump's Energy Goals Are Set to Falter in 2025**
Anas Alhajji, Managing Partner, Energy Outlook Advisors

- 88 LNG at a Crossroads: Navigating Growth, Volatility, and Geopolitical Risks?**
Martin Houston, Former Executive Chairman of Tellurian
- 90 President Trump's Stated Energy Policy is Inherently Contradictory and Highly Impactful**
Dr. Edward L. Morse, Senior Advisor and Commodities Strategist, Hartree Partners
- 92 Sanctions Against Russia and Iran Could Pressure Countries like China and India to Rethink Their Fuel Sourcing Strategies**
Rachel Ziemba, Adjunct Fellow, Center for a New American Security, Senior Advisor, Horizon Engage
- 95 We're Witnessing a Systemic Transformation in Geopolitics and the Global Order**
Dr. Raad Alkadiri, Non-Resident Fellow, Center for Strategic & International Studies
- 96 My Outlook for Crude in 2025 Remains Bearish Unless we See a Supply Shock**
Mike McGlone, Senior Macro Strategist, Bloomberg Intelligence
- 97 Trump 2.0 will not Have Much impact on the Permian Basin**
Richard Redoglia, CEO, Matrix Global Holdings
- 98 Datacenters for "AI" Remain Wildcard in US Energy Policy**
Dr. Sara Vakhshouri, Founder & President, SVB Energy International
- 100 My Biggest Concern for Latin America is the Growing Influence of China**
Max Torres, Exploration VP, PetroTal
- 101 Trump's Approach to Venezuela will Differ Significantly to His First Term in Office**
Jose Chalhoub, Analyst, Jose Parejo & Associates
- 102 Mexico is Perhaps the Most Vulnerable Country in its Energy Relationship with the US**
Aldo Flores-Quiroga, Former Deputy Secretary of Energy for Hydrocarbons, Mexico's Ministry of Energy & Senior Advisor, FTI Consulting
- 104 TOP 10 OUTLOOK FOR THE AMERICAS ENERGY MARKETS IN 2025**

Supported by:



FOREWORD

The High Stakes of AI in Energy Trading: NAVIGATING OPPORTUNITY AND RISK



Dyala Sabbagh
Editor in Chief, Gulf Intelligence

Artificial intelligence (AI) is fundamentally transforming industries globally, and the energy sector is no exception. From enhancing operational efficiency to optimizing trading strategies, AI is redefining how energy is produced, traded, and managed. Yet, as the adoption of AI accelerates, it is clear that what's at stake is far more than operational efficiency or profitability—it's the future leadership, stability, and sustainability of the energy industry itself.

The rise of AI offers unprecedented opportunities to revolutionize data management and trading efficiency. Energy trading thrives on timely, accurate, and actionable information, and AI-powered algorithms can process vast amounts of data in real time. These systems uncover patterns, predict market trends, and optimize decision-making processes faster and more accurately than any human could. This transformation is not just a technological milestone; it's a competitive necessity for any company seeking to lead in an increasingly volatile market.

However, as energy companies rush to adopt AI, the risks of falling short or failing to adapt loom large. Companies that fail to leverage AI strategically or implement it responsibly risk being left behind in a rapidly evolving landscape. Worse, poorly implemented AI systems could introduce vulnerabilities

into the market, from flawed decision-making due to biased algorithms to destabilizing outcomes caused by unchecked automation.

One critical challenge lies in the approach companies take to building or acquiring AI capabilities. Some firms invest heavily in bespoke AI systems tailored to their unique needs, while others rely on established platforms from tech giants. Each path carries risks: bespoke solutions demand significant investment and expertise, while off-the-shelf models may lack the adaptability to address industry-specific challenges. A misstep in this decision can result in wasted resources or systems that fail to deliver value.

Long-standing industry practices also pose hurdles. Energy companies operate on decades-long investment cycles, a stark contrast to the rapid pace of AI innovation. Legacy governance structures, designed to ensure stability, can slow the agility required to implement cutting-edge technologies. Without bold, forward-looking leadership, these companies risk becoming too rigid to compete in an increasingly dynamic market.

At the heart of these decisions is a fundamental shift in the industry's value proposition: data is becoming the new oil. The energy sector has long built its fortunes on the extraction



and trading of hydrocarbons. Now, companies are exploring how to monetize their vast datasets, selling insights and forecasts derived from AI systems to trading partners or even competitors. This transformation challenges traditional notions of value creation, forcing companies to rethink their core competencies and competitive advantages.

Ethics and trust are also on the line. While AI holds the promise of greater accuracy and efficiency, it also raises serious concerns about transparency, bias, and accountability. In a high-stakes environment like energy trading, these issues are magnified. A single flawed algorithm could distort markets or erode stakeholder confidence, triggering regulatory scrutiny or financial losses. Companies must not only ensure the reliability of their AI systems but also maintain human oversight to safeguard against unintended consequences.

The regulatory landscape adds another layer of complexity. Governments and industry bodies have yet to fully catch up with the rapid evolution of AI technologies. Without clear and enforceable guidelines, the risk of a fragmented or uneven playing field grows. Companies operating across jurisdictions face uncertainty, and without cohesive global standards, the potential for ethical lapses and market disruptions increases.

What's truly at stake is the energy industry's ability to lead in a future defined by technological innovation. AI offers the tools to make smarter, faster, and more sustainable decisions, but its potential can only be fully realized if companies embrace it responsibly. Those that fail to adapt risk not only losing their competitive edge but also undermining the trust and stability that are foundational to global energy markets.

The future could see entirely new dynamics in energy trading, with AI-driven systems playing a central role in everything from pricing to decision-making. There is even speculation about fully autonomous trading floors, where human oversight is minimal. While this vision remains speculative, it underscores the transformative potential of AI and the profound changes it could bring.

Yet, this transformation also highlights the irreplaceable role of human judgment. AI may be capable of analyzing complex datasets and executing trades with precision, but it cannot account for the nuanced, strategic thinking required to navigate crises, geopolitical risks, or ethical dilemmas. Striking the right balance between automation and human expertise will be critical.

The stakes for the energy industry are monumental. The rise of AI represents not just an evolution in technology but a redefinition of the sector itself. Companies that approach this transition with strategic foresight, ethical responsibility, and a commitment to innovation will be well-positioned to lead in this new era. Conversely, those that fail to adapt risk irrelevance, eroded trust, and diminished market power.

As AI continues to reshape the energy industry, its role in trading will only grow. The decisions made today will determine whether companies emerge as leaders in a digitally transformed energy landscape or fall behind, unable to keep pace with the demands of a data-driven world. What's at stake is nothing less than the future of the energy industry—and its ability to remain a cornerstone of global economic stability in the decades to come. ■

MARK YOUR CALENDAR

13th ENERGY MARKETS FORUM

*“Reimagining Growth
in a Disrupted World:
Risks & Opportunities?”*

October 1st - 2nd, 2025
Novotel Hotel, Fujairah, UAE



Consultancy
Intelligence
Publishing



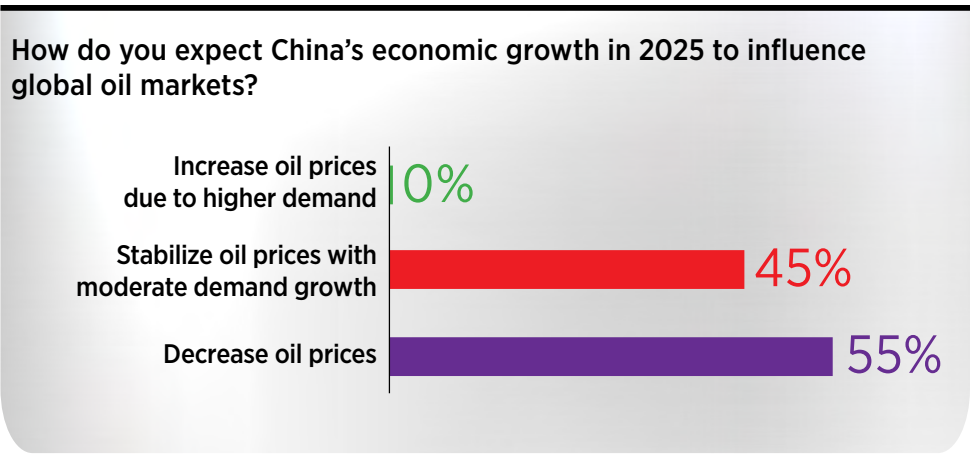
#EMFWEEK25





Mukesh Sahdev
Global Head Commodity Markets, Rystad Energy

Despite challenges like the lingering impacts of COVID-19 and geopolitical tensions, the region's ability to adapt and lead will define the trajectory of energy markets in 2025 and beyond. One key question is: with China no longer the primary engine of demand growth, who can step up to compensate? China's oil demand growth is slowing significantly. Historically, the country added about 500,000 b/d annually, but by 2025-2026, this figure is expected to drop to around 150,000 b/d. India, meanwhile, is maintaining steady growth at 200,000 b/d, but other key players like Japan and



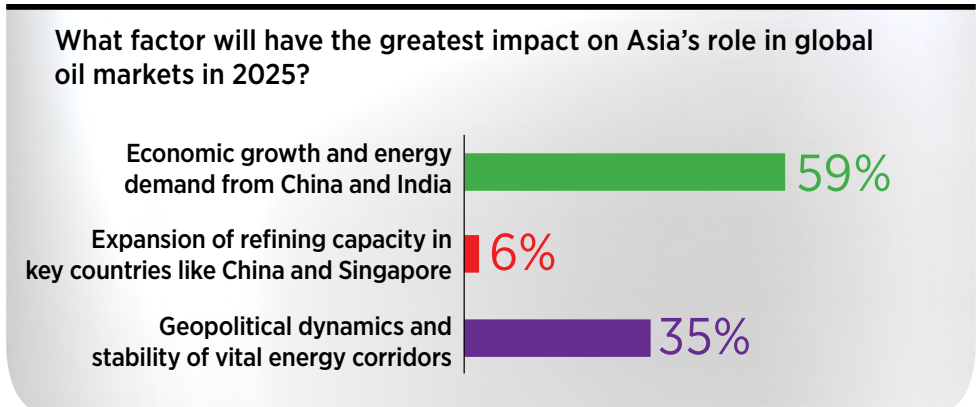
Source: Global Energy Outlook Forum 2025

South Korea are either stagnating or declining. Asia's refining capacity paints a mixed picture. China's refining peaked at 16 million b/d in 2023, while the rest of the Asia-Pacific region hit a pre-pandemic high of 18 million b/d. Although 2025 may see some incremental crude pull, the real question is what type of crude will be in demand and where it will come from. Fuel versus non-fuel demand dynamics are becoming increasingly important, adding complexity to the supply chain.

Even with a smaller crude pull from Asia, the impact on global markets could still be significant. Middle Eastern countries are expanding their refining capacities, African nations are increasing their presence in the market, and the U.S. is striving to hold steady. However, Europe's role could prove decisive. If EU crude demand declines faster and deeper, it could provide breathing room for other regions. If not, the crude market may struggle to find equilibrium despite weaker overall demand growth.

OPEC+ continues to play a crucial role, managing supply and demand effectively, but the rise of natural gas liquids (NGLs) adds another layer of uncertainty. The growing prominence of NGLs could disrupt traditional crude dynamics, complicating the outlook for oil producers and refiners alike.

Asia's internal challenges are just as pressing. Korea and Japan, once key drivers of energy demand, now face significant turmoil. Korea is grappling with economic and structural changes that are reshaping its energy market, while Japan continues to struggle with declining demand and an aging infrastructure. In contrast, India appears to be the lone



Source: Global Energy Outlook Forum 2025

bright spot, emerging as a rare beacon of hope for oil demand growth in the region.

Influencing the Energy Transition
China has positioned itself as a global leader in the shift toward cleaner energy. Its rapid adoption of electric vehicles (EVs), with penetration rates already at 40-50%, underscores its ability to drive change. Whether powered by coal-fired plants or renewables, EVs are enabling China to reduce its dependence on hydrocarbons. At the same time, the country is investing heavily in grid infrastructure, a critical component for scaling up renewable energy and electrification. While coal remains a significant part of its energy mix, it serves as a transitional source, and I believe China will pivot to renewables faster than many expect.

Other Asian countries are likely to follow a similar trajectory, leveraging their status as developing economies to chart a pragmatic path that balances traditional energy sources with a gradual transition to renewables. This approach contrasts with the strategies adopted by Europe or the U.S., highlighting the diverse ways regions

are tackling the global Energy Transition. Asia's dominance in the global refined product market is another critical factor shaping the future. Together with the Middle East—sometimes referred to as “West Asia”—the region is forming a powerful bloc that is increasingly focusing on dominating refined product exports. This strategy is already putting pressure on non-OPEC refiners in Europe and beyond. I see 2025 as a tipping point for this dynamic. Asia's robust petrochemical growth and continued need for crude oil imports further underscore its importance in global energy markets.

The question of who can compensate for China's slowing growth remains unanswered, but the trajectory is clear. Asia's Energy Transition and strategic realignments will continue to define its role in the global energy market. As the region adapts to evolving demand patterns and embraces the challenges of energy security and transition, it will continue to reshape global energy dynamics for years to come. The coming year will be pivotal in determining how Asia navigates these shifts and cements its leadership in the global energy landscape. ■

India's Energy Security Hinges on Diversifying Supply and Balancing Strategic Relationships



Narendra Taneja
India's Leading Energy Expert



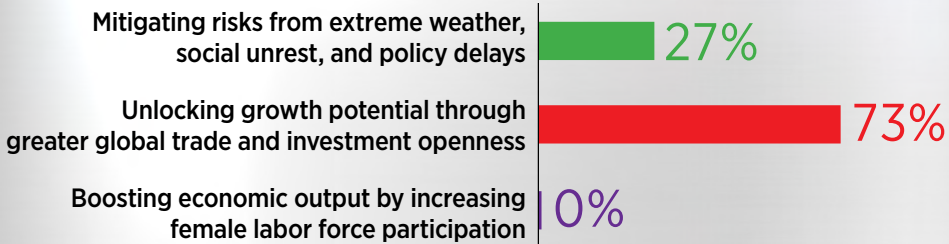
As we look to 2025, Brent crude prices are likely to average between \$70 and \$72 per barrel during the first half of the year, with potential fluctuations ranging from \$65 to \$80 depending on geopolitical and economic developments. For India, a nation that imports 88% of its oil, these dynamics are not just market realities, but critical drivers of energy policy and economic security.

Russia has emerged as a crucial partner, providing discounted oil that has helped India manage its energy costs amid global volatility. Indian refiners like Reliance are negotiating long-term agreements with Russian suppliers, worth billions of dollars, to ensure steady supplies. If sanctions on Russia ease under a potential Trump administration, India could further solidify this partnership.

The Middle East remains another cornerstone of India's energy strategy. Iran, with which India shares deep historical and cultural ties, plays a pivotal role in the country's efforts to diversify its energy sources. While India opposes stricter sanctions on Iran, it also recognizes the complexities of engaging with Tehran, particularly given its controversial foreign policy actions and China's growing influence in the region. India's approach seeks to bring Iran back into the global mainstream, fostering a stable Middle East that aligns with its energy and strategic priorities.

Balancing its relationships with the U.S. is another cornerstone of India's energy policy. A potential Trump administration offers opportunities for deeper collaboration, particularly given its "drill, baby, drill" philosophy, which

What will drive South Asia's economic progress in 2025?



Source: Global Energy Outlook Forum 2025

aligns with India's reliance on fossil fuels.

India's energy policy also reflects a broader geopolitical strategy. While China aggressively positions itself as a global mediator, India takes a more measured approach, focusing on strengthening its economic and strategic interests behind the scenes. Recent engagements with stakeholders in Iran, Syria, and Afghanistan demonstrate India's intent to quietly expand its influence without overextending its diplomatic resources. This pragmatic strategy positions India as a stable partner in a volatile region, enhancing its ability to navigate complex energy markets.

While the country is rapidly advancing renewable energy initiatives, it still relies heavily on oil and gas to power its economy. This dual focus—meeting immediate energy needs while transitioning to cleaner sources—requires careful planning and international cooperation. A stable oil market is critical to ensuring India's

economic resilience as it navigates these challenges.

China's slowing economic growth adds another layer of complexity to the global energy landscape. While it remains a major oil consumer, deflationary pressures and a \$18 trillion loss in its property market indicate a potential slowdown in demand growth. This could ease upward pressure on oil prices, benefiting India as it secures affordable energy supplies. However, India must also contend with China's growing strategic moves, including its influence in countries like Iran and its efforts to dominate global energy markets.

In 2025, India's energy security will hinge on mitigating risks and leveraging opportunities. Key priorities include diversifying supply sources, maintaining strategic autonomy, and strengthening relationships with major energy players. The stakes are high, but India's pragmatic approach and measured engagement offer a blueprint for success. ■

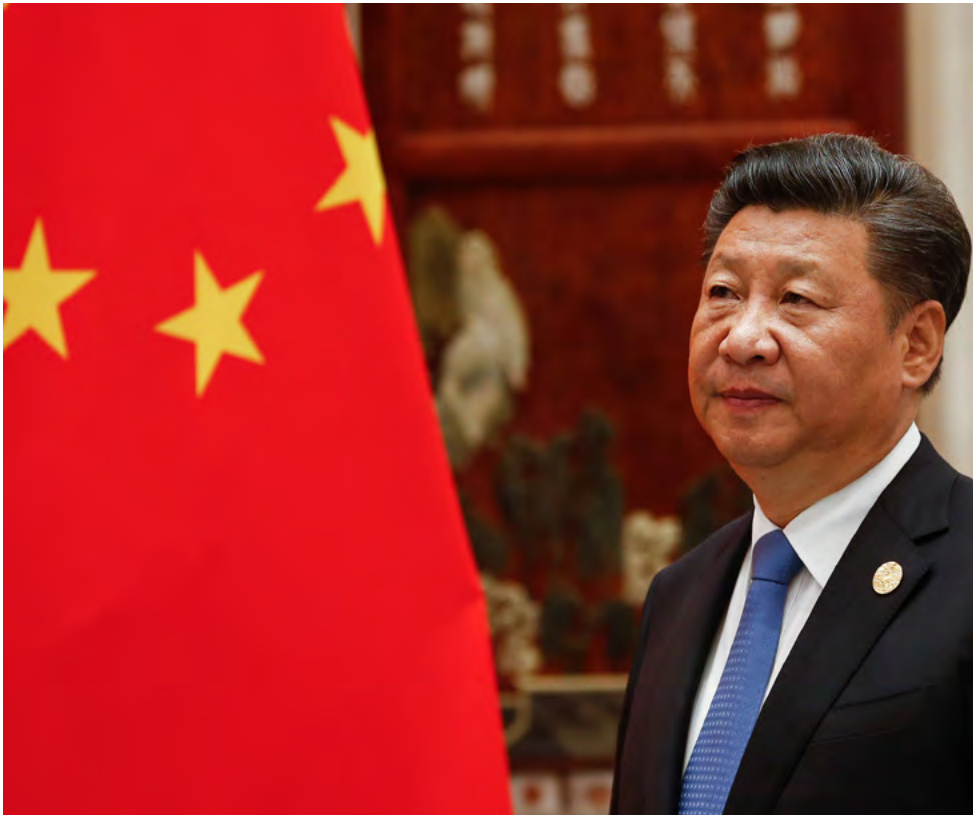
China's Economic Outlook is Shifting to Optimistic



Jorge Montepeque
Managing Director, Benchmarks, Onyx Capital Group

In the past year, the Chinese government has implemented significant interventions to stimulate the economy, including liquidity injections, lower interest rates, and consumer incentives, such as credit for car purchases. These efforts appear to be working. Sales of durable goods, particularly cars, have surged, creating ripple effects throughout the supply chain and reigniting some economic activity.

Government policies are having an impact, but I question whether these measures alone can sustain long-term growth."

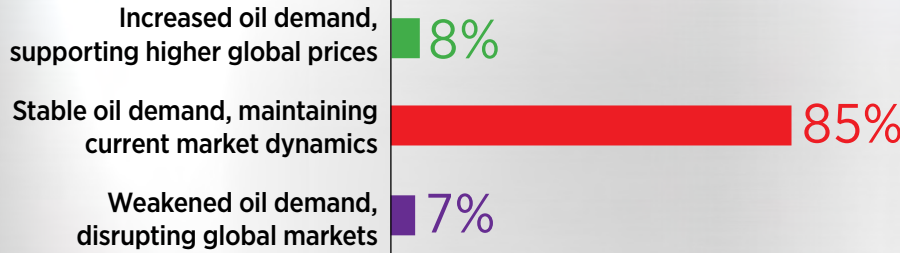


Despite these improvements, I remain cautious about China's ability to meet its ambitious 5% GDP growth target. Consumers and businesses remain cautious, with many still viewing the market as sluggish, while challenges such as deflation and negative 10-year bond yields persist. Government policies are having an impact, but I question whether these measures alone can sustain long-term growth.

Adding to these challenges are external pressures, particularly from the U.S. If trade tensions worsen under Trump, it could force China to redirect its focus to regions like Southeast Asia, Latin America, and Africa. We've already seen Chinese car brands like BYD thriving in markets such as Singapore, signaling China's adaptability.

China's leadership in EVs is another bright spot. With a domestic adoption rate exceeding 50%, China is at the forefront of the global Energy Transition.

What is the most likely outcome of China's projected 5% economic growth on global energy markets in 2025?



This shift has profound implications for oil demand, which may already have peaked in 2024 or 2025.

For the rest of Asia, China's slowdown is a double-edged sword. While cheaper Chinese exports bring deflationary benefits to countries like Vietnam, regional growth is unlikely to offset the

decline in China's economic momentum.

I believe 2025 will be a volatile year for China. Government fiscal and monetary policies will be critical in shaping its trajectory. While there may be some recovery in the latter half of the year, significant uncertainties remain. The world will be watching closely. ■

2025 – A Transformative Year for Asia's Oil and Refining Markets

China is now operating under what

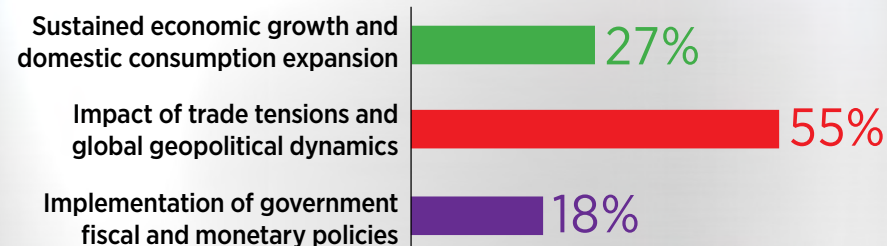
I call a 'new normal,' with oil demand growth expected to slow to just 200,000 to 400,000 b/d this year—a far cry from the explosive growth of 800,000 to 900,000 b/d seen in its peak years. China is also approaching or has already surpassed peak demand for diesel and gasoline, as the country transitions toward cleaner energy alternatives. Meanwhile, India, though growing faster in percentage terms, operates from a much smaller base. With approximately 5.1 million b/d of oil demand compared to China's 16.5 million b/d, India's incremental growth of 150,000 to 200,000 b/d cannot fill the gap left by a slowing China.

The refining sector faces significant challenges. Even amid economic headwinds, Asia continues to expand its refining capacity, leading to oversupply in markets like China. Smaller "teapot" refineries are particularly vulnerable, facing fierce competition from high-complexity refineries in the Middle East and Africa, such as the Dangote refinery. These new facilities are better integrated with petrochemical operations and strategically



Vandana Hari
Founder & CEO, Vanda Insights

What will be the most critical factor shaping China's oil demand in 2025?



Source: Global Energy Outlook Forum 2025

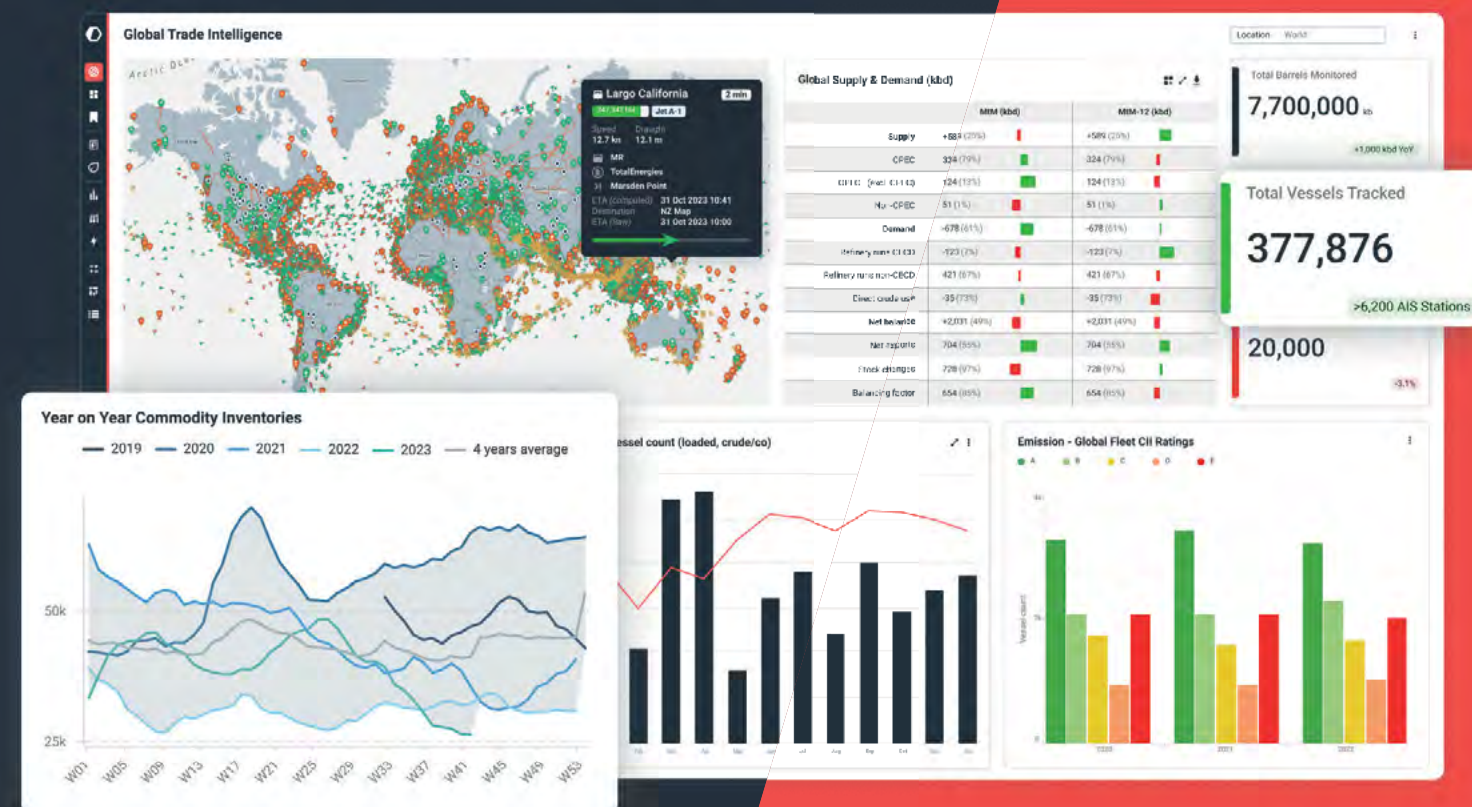
positioned near key markets, giving them a competitive edge.

Geopolitical factors add another layer of uncertainty. Under the new Trump administration, I anticipate significant shifts that could impact discounted crude flows from Russia, Iran, and Venezuela—key suppliers for Asian refiners. While Indian refiners have benefited from discounted Russian oil, any easing of sanctions on Moscow or renewed

pressure on Iran could reduce these advantages. For China, declining Iranian crude imports and shrinking refining margins compound the challenges.

The region faces a perfect storm of overcapacity, shrinking margins, and geopolitical uncertainty. How Asia adapts to these pressures will not only shape its energy landscape but also influence global markets for years to come. ■

kpler



Turn insights into action with commodities trade intelligence

kpler.com



Sourcing energy for a sustainable future

As an international company with operations across 120 countries BGN plays an important role in helping countries to move their energy exports to markets worldwide, as well as securing vital supplies for importation to serve domestic energy needs. We trade energy and other commodities between multiple continents, with strong growth in the GCC region, Africa and Asia, among other regions.

We believe that commodities should provide a net benefit both for our trading partners and for society as a whole. As well as responding to demand, we aim to support the energy transition by moving products that improve efficiency, by leading on carbon asset development and by analyzing renewables opportunities.

www.bgn-int.com
www.bgnenergy.com



A Fragile Landscape for Asia's Economy and Energy Markets

As I look ahead to Asia in 2025, I see a complex mix of geopolitical pressures, financial instability, and evolving global dynamics. The opportunities are significant, but the challenges are equally daunting.

China remains central to Asia's story, but it's clear that cracks are forming. While consumption remains relatively strong, the specter of deflation looms large. The property market, which has lost \$18 trillion in value since 2021, is a catastrophic drag on the economy. Financial markets have also been volatile, with the CSI 300 seeing sharp corrections. Although Beijing's stimulus packages have provided some temporary support, I believe they risk exacerbating issues like deflation and the oversupply in the property sector. Compounding these challenges is the ongoing shift by global firms away from reliance



Peter McGuire
CEO, XM Australia

on China. This trend, fueled by geopolitical tensions and policies from the Trump era, shows no sign of slowing.

Beyond China, I see promise in countries like Indonesia and the Philippines, where infrastructure development and young, dynamic populations are driving growth. Hypergrowth economies like Vietnam, Laos, and Cambodia also add to the region's potential. However, this optimism is offset by political and economic turbulence in more established economies. South Korea's precarious political situation and Japan's weak currency, under

pressure from a strong U.S. dollar, raise questions about their future roles in the region.

In the global oil market, I believe Asia's role will remain pivotal, but it's a precarious balance. China's slowing growth and deflation could suppress energy demand, while geopolitical disruptions—including potential policy shifts under a renewed Trump administration—will add volatility. Strategic moves surrounding rare earth resources, Greenland, and even the Panama Canal underscore the broader geopolitical chess game that could reshape trade routes and energy supply chains. ■

China's Transition to Greener Technologies is a Bellwether for Global Energy Markets



This year marks a turning point for China's role in global oil markets as we approach peak demand for gasoline and diesel. This milestone, combined with a slowing global economy and increased supply from non-OPEC+ nations, will undoubtedly reshape oil prices and energy dynamics.

The country is actively diversifying its markets, focusing on Europe and 'Belt and Road Initiative' countries. And while some speculate that Beijing might retaliate against geopolitical pressures by restricting exports of critical materials like rare earth minerals, I see such moves as measured and contingent on broader economic goals.



Dr. Wang Zhen
President, CNOOC Energy Economics Institute

I anticipate Brent crude prices to average between \$70 and \$75 per barrel in 2025, a drop from last year's \$80 average. This decline reflects the dual impact of reduced consumption growth and the global push toward cleaner energy alternatives, including electric vehicles.

The peak in China's oil demand highlights the need for global markets to adapt. While this may dampen short-term growth prospects, it also creates opportunities to

accelerate investments in renewables and alternative fuels. This shift underscores the importance of balancing energy security with sustainability, a lesson China's evolving strategy makes clear. China's transition from traditional fuels to greener technologies is a bellwether for global energy markets. The decisions made today will shape not only oil prices but also the future trajectory of the energy sector worldwide. ■

CHINA EVs

"There's been a massive increase in EV sales in China, but the overwhelming majority of cars on Chinese roads are still internal combustion engine (ICE) vehicles, and people continue to buy them. The real impact on Chinese oil demand, particularly gasoline, will only be felt when EV sales begin to directly replace ICE vehicles. I don't think we've reached a definitive peak in gasoline demand in China. That may still be a few years away."

**Neil Atkinson, Former Head of Oil Markets Division
International Energy Agency**

CHINA ENERGY TRANSITION

“Oil producers need to start looking elsewhere for demand growth. China’s oil demand growth last year was underwhelming - at less than 100,000 b/d. This year, we’re expecting a modest recovery to around 200,000 b/d, but it’s far from the boom years of 500,000 to 600,000 b/d. It’s difficult to see where a big upside surprise could come from. The economic stimulus being implemented is different than before - more about supporting the stock market and broader economic health than infrastructure investment. China appears to be peaking in various ways, depending on the product. Alternative fuels like EVs and LNG have displaced close to a million b/d of oil demand, so the impact is real.”

Jeff Brown, President, FGE

New Energy Increasingly Driving China’s Economic Growth

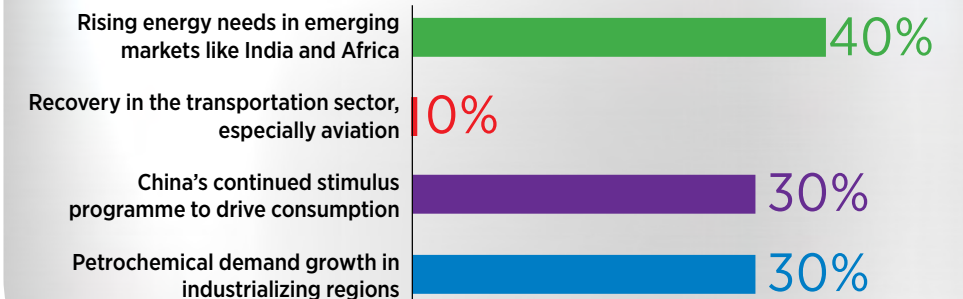


Victor Yang
Senior Analyst,
JLC Network Technology

This transition is gradually replacing high-energy sectors like housing and weakening the link between GDP growth and oil demand. While 5% GDP growth is forecasted for 2025, it won’t drive oil demand as it did in the past. That said, China’s consumption remains substantial, averaging over 11 million b/d. Looking ahead, the focus is shifting toward chemicals production, with many refineries upgrading to produce more chemicals and specialty products, which will become a key driver of oil demand. We don’t expect significant growth in refined products exports in 2025, with a country policy to reduce dependence on oil imports. As an example, in December 2024, the government removed the value-added tax rebate for the export of products like gasoline and diesel. The focus is increasingly on domestic consumption. Export quotas in 2025 for gasoline, diesel, and jet fuel exports in aggregate, are steady compared to last year.

Government Stimulus Continues
The government implemented significant stimulus measures in

What will be the key driver of global oil demand in 2025?



2024, such as subsidies for cars and home appliances, and these efforts will likely expand to cover more products this year, though specific figures haven’t been announced. In late 2024, subsidies on products like cars boosted sales significantly. Consumer confidence is slowly returning, but the full recovery of industries, particularly domestic consumption, will take longer. China must also prepare for potential

US tariffs. The government has acknowledged that 2025 will bring significant headwinds, so further stimulus and structural adjustments will be necessary. Part of its strategy will also likely involve managing the yuan from weakening further, while continuing to prioritize economic stability. Striking this balance is critical to maintaining growth without exacerbating inflation or import costs. ■

China's Changing Growth Composition Detrimental to Oil Demand



China is emphasizing new energy manufacturing, such as EVs, solar panels, and batteries, while traditional sectors like housing are underperforming. The EV sector is particularly transformative; sales rose by 35% in the first 11 months of last year. Such trends reduce gasoline consumption. Similarly, LNG trucks are gaining traction over diesel-powered ones. China's oil imports fell by about 200,000 b/d in 2024, and we don't foresee a significant rebound under current trends. Gulf producers, that underestimated China's demand last year, need to rethink their strategies. The country's changing energy mix, along with a preference for domestically sourced coal and cheaper imported coal, makes crude less critical for its



Clyde Russell
Asia Commodities Columnist,
Thomson Reuters

energy needs. While petrochemicals could become a growth area, I'm skeptical that demand for these products will offset declines in gasoline and diesel.

A Calculated Approach to US Tariffs

Much of China's preparation to US tariffs has likely focused on mitigating potential damage. Instead of imposing retaliatory tariffs, they might quietly discourage buying US goods, similar to how they handled Australian coal a few years ago.

China has multiple tools to respond to very stringent US tariffs with, if needed, including leveraging its significant advantage in Energy Transition technologies like EVs and renewable energy. The big question is whether they can increase exports, particularly to the Global South, to offset potential losses in US trade. If trade tensions do worsen, China could pull other levers, such as selling US Treasuries, though I believe they'll aim to maintain stability and avoid escalation. ■



Chinese Refineries Clearly Evolving to Focus on Chemicals

This aligns with China's industrial goals, as it remains the world's manufacturing hub. And major oil producers, like Saudi Arabia, are investing in this transition. For example, Saudi Aramco recently acquired a 10% stake in a Chinese refinery, securing crude supply while preparing for reduced global demand for traditional fuels. Similar investments in China and India are likely as producers adapt to the shift toward new energy and petrochemicals.



Yan Chong Yaw
Independent Energy Analyst
(Singapore)

Refining Margins Under Pressure

The strong margins seen after the Russian invasion of Ukraine are long gone. Rates for smaller players are still hovering around \$15-\$16 per barrel, similar to pre-COVID levels when overcapacity was a significant issue. Now, with demand subdued, especially for diesel, even during

the winter, margins remain weak. Gasoline has shown some seasonal improvement, but it's not enough to make a substantial difference. As we approach the off-peak season for diesel and the refining market remains oversupplied, smaller refiners are likely to struggle despite lower crude prices. ■



China Holds a Significant Advantage to Align its BRI with Green Tech Objectives

Whether for environmental, economic, or strategic reasons, China is also positioning itself to dominate not just the production of green technologies but also the associated infrastructure. The country has a massive amount of productive capacity in solar panels, battery production, wind technology, and critical minerals. Most of the products are not heading to the US, but rather to other countries like Pakistan, which is ramping up solar installations at an extraordinary pace. Similarly, in South America - places like Argentina and Chile - we're seeing Chinese electric vehicles (EVs) entering the market at highly competitive prices. In the long term, Chinese products,



Bill Spindle
Senior Global Correspondent,
Cipher News

including EVs, will likely continue to dominate due to their low cost and competitiveness, even in markets like Europe which impose 25% tariffs. However, China's challenge will be building the infrastructure needed to support these technologies in emerging markets. For instance, there's only so much solar capacity you can add in Pakistan without investing in grid systems to manage variable renewable energy. Similarly, selling EVs without developing

sufficient charging infrastructure creates market limitations. In terms of how US tariffs could impact Chinese green tech exports, if we were to enter a scenario with extreme policies, such as 60% tariffs, the US could find itself severely restricted in importing critical components like batteries. EVs, already challenged in the US, could effectively be sidelined, impacting global dynamics and clean energy progress. the energy sector worldwide. ■



LNG Prices Should Hover at \$14–15 per MMBtu in 2025

As of 2026, they will decline, as new supply comes online. This price adjustment will unlock demand across different country income brackets in Asia, reinforcing LNG's role as a transition fuel. Asia's energy landscape is incredibly diverse. High-income countries like Japan, South Korea, and Singapore rely heavily on LNG for power generation. Middle-income nations like China and India use LNG alongside coal and renewables, while lower-income countries like Pakistan, Bangladesh, Vietnam, and Cambodia are emerging buyers. Price sensitivity is a significant factor. For instance, China's sweet spot for LNG is \$12 per MMBtu, India's is \$10, and for developing countries,



Mriganka Jaipuriyar
Global Head, Metals and Agriculture News,
S&P Global Commodity Insights

it's single-digit pricing.

Despite these challenges, the region's LNG demand is driven by rising power needs, declining domestic gas supplies, and supportive policies. Indonesia and Vietnam are actively shifting away from coal toward LNG and renewables for example. Reliance on imports will remain key for many countries. The challenge lies in balancing alternatives, such as coal or renewables, with LNG.

Domestic gas availability is limited in many countries and producing it sustainably - with measures like carbon capture - only adds to costs. This limits the competitiveness of domestic gas.

LNG imports will continue to play a major role in energy security strategies, with the exact mix depending on prices, each country's net-zero targets, and their ability to scale renewable energy and nuclear power. ■



LNG Prices Should Remain Supported in 1H 2025

Northern Hemisphere countries will need to replenish gas stocks for the 2025 cycle, maintaining upward pressure on prices. In the first half of 2024, spot gas prices in Europe and Asia were in the single digits, around \$10 per MMBtu, but they climbed steadily in the latter half, reaching \$15 per MMBtu, a 50% increase. This price surge was driven by three main factors. Firstly, a return



Marc Howson
Head of Asia,
Welligence Analytics

to normal winter weather patterns, particularly in Europe and North Asia, drawing down European gas inventories from over 90% a year ago to about 70% today, reflecting

a more typical seasonal pattern. Secondly, there was less new supply than expected in 2024. Only three LNG projects came online late in the year. Finally, the most significant



change was the cessation of Russian piped gas supply to Europe on January 1st this year, even though they only accounted for about 5% of total European demand. What surprised many is that Russia was actually the second-largest LNG supplier to Europe last year, contributing nearly 20% of the continent's imports. However, the EU does plan to completely phase out reliance on Russian gas and LNG by 2027, and later this year ban LNG transshipments currently occurring in France, Spain, and Belgium.

China Remains a Focal Point for LNG Suppliers

In 2024, Chinese LNG imports rose about 9% to nearly 80 million tons, driven in part by the rapid adoption of LNG in transportation. However, China's demand growth will be tempered by price sensitivity, especially as Europe becomes a stronger competitor for LNG cargoes. For exporters like the US, maintaining a balance between meeting European and Asian demand will be crucial in 2025.

Spot Market Gets a Boost

The longer-term outlook points to growing US LNG supply, and this is generally destination-flexible, allowing portfolio players to resell and ship cargoes to the highest bidder. This dynamic is expected to increase the volume of spot and short-term LNG

What is the primary challenge for Asia in meeting its growing LNG demand in 2025?



transactions. Simultaneously, legacy contracts, such as those from Malaysia and Indonesia, will begin to roll off, likely resulting in more volumes being sold on a spot basis. This is because suppliers no longer need long-term

contracts to finance liquefaction facilities. But while the market is moving toward more liquidity, long-term contracts will still dominate, especially in North Asia, where security of supply is a top priority. ■



India's Oil Imports Not Commensurate to GDP Growth

India's oil demand growth should remain steady around 3–3.5%, but not at the levels we saw in China a decade ago. India's energy mix remains heavily reliant on coal, still the dominant source. Oil and gas come next. India's gas imports have been increasing, with a growing focus on gas usage in the country. The country's gasoline and diesel consumption remain strong, as does aviation fuel demand, driven by economic growth. Indian refiners have also been actively importing



Ram Narayanan
Leading Energy Analyst

crude, particularly from Russia, and positioning India as an export hub for refined petroleum products, including to markets like Europe, which have been displaced from Russian supply.

Countries like Malaysia, Thailand, Indonesia, and Vietnam are all experiencing GDP growth rates

exceeding 5.5%. Most of these economies are heavily reliant on fossil fuels, despite taking steps toward renewable energy adoption. The priority in Southeast Asia, much like in India, is energy security, with the transition to renewables being a longer-term goal. ■



South Asian Economic Growth Compromising its Environmental Position

The region has been growing much faster than both developed and other developing economies. GDP growth in South Asia has been averaging around 7%, with this year's average expected to settle around 6-6.5%. However, this rapid growth comes with environmental challenges. South Asia is home to nine of the world's ten most polluted cities. The pressing question is how to reconcile economic growth with environmental sustainability. In India, just five years ago, concerns about local air pollution were largely concentrated in the north of the



Vibhuti Garg
Director – South Asia, IEEFA

country. Today, these issues are prevalent across the west and south as well. Rapid urbanization and growing populations are straining infrastructure and exacerbating pollution levels. Addressing these challenges requires not only adopting renewable energy technologies but also expanding

their use across sectors like electricity, mobility, and industry. However, while renewable energy provides a domestic alternative to imported energy, the supply chains for renewables often rely on imports, replacing one dependency with another. No country can fully rely on domestic resources. ■



Japan's AI and Tech Industries Driving Up Power Demand

As a result, LNG demand will remain well supported for the time being, despite Japan's energy transition plans to grow its usage in renewables, hydrogen, and synthetic fuels. There's a pragmatic realization that renewables alone might not meet the rising energy requirements of facilities such as new data centers and semiconductor plants. In 2024, Japan's LNG imports dropped by about 2.5% year-on-year to around 65 million tons. This gradual decline may continue, with imports stabilizing between 60 and 65 million tons annually, depending on further nuclear restarts and energy policy adjustments. In the meantime, Japan will continue



Yuriy Humber
Founder & President,
Japan NRG Platform/Yuri Group

diversifying its LNG portfolio while carefully balancing geopolitical considerations. For instance, Japan has Russian LNG contracts coming up for renewal, and the geopolitical stance of the previous US administration discouraged buying from Russia. Australian LNG is another factor. As Japan's dominant LNG supplier, Australia has also been exploring net-zero pathways and even discussed limiting

exports. While those discussions have been toned down, Japan will likely continue diversifying its suppliers to ensure stability. It currently sources LNG from about 20 countries, but scale remains a key consideration. Gulf suppliers, for instance, can offer the large-scale volumes Japan needs, making them a crucial part of the equation. Ultimately, contract terms and flexibility will dictate future dynamics. ■



Renewables and Decentralized Energy Solutions Reshaping South Asia Energy Landscape

While infrastructure for LNG facilities, pipelines and refineries remains important, innovation in renewables and decentralized energy solutions is reshaping the energy landscape. Pakistan has delayed procuring LNG tankers from Qatar for now. Interestingly, we're also seeing a shift towards LPG, which offers modularity and decentralization. This trend is evident across urban and rural areas, with consumers increasingly relying on LPG cylinders. A similar shift may be happening in India. Renewables are gaining traction. Pakistan has added 10 GW



Osama Rizvi
Energy & Economic Analyst,
Primary Vision

of solar power this year, with plans to reach 20 GW. Wind projects and green hydrogen initiatives are also underway.

Bearish Outlook for Oil Prices in 2025
My forecast is for Brent crude this year is to average around \$72, with downside potential to \$65, rather than significant upside. While geopolitical

conflicts could cause market swings, fundamentals on the demand side are less optimistic. Projections show global demand growth between 840,000 to 1.5 million b/d. China remains the key driver and its economy will require more stimulus to sustain growth. Meanwhile, global oil supply surplus estimates range from 950,000 to 1.4 million b/d. ■

TOP 10 OUTLOOK FOR ASIA ENERGY MARKETS IN 2025

1. China's GDP Growth Outlook

China aims for 5% GDP growth in 2025. However, challenges like deflation, an overheated property market, and external factors such as US tariffs raise doubts about achieving this goal.

2. Peak Oil Products Demand in China

China's diesel and gasoline demand is expected to peak in 2025, while aviation fuel may still have growth potential. This marks a significant shift in consumption trends for Asia's largest oil consumer.

3. Projected Brent Crude Oil Prices

Brent prices are forecasted to average between \$70–\$75 per barrel in 2025, reflecting weaker demand growth and geopolitical influences.

4. Indian Oil Demand Growth

India is expected to add an incremental 150,000–200,000 barrels per day to global oil demand, driven by economic growth. However, its overall consumption remains significantly smaller than China's.

5. Energy Transition in Asia

China and India are accelerating EV adoption, with China achieving over 50% EV penetration. However, reliance on coal remains a key feature of China's energy mix during its transition.

6. Refining Capacity Challenges

Asia's refining sector faces challenges from overcapacity in China (18 million barrels per day versus 16 million barrels of demand) and competition from Middle Eastern refineries.

7. LNG Demand in Asia

Southeast Asia's LNG demand will grow due to declining domestic gas supplies and a shift away from coal. However, affordability remains a critical factor, with different price thresholds for countries like India and China.

8. Impact of US Tariffs and Geopolitics

Renewed US-China trade tensions under the Trump administration could hinder China's economic growth and oil demand. China is expected to redirect its trade focus towards Southeast Asia, Latin America, and Africa.

9. Asia's Role in the Energy Market

Despite reduced growth in oil demand, Asia remains a significant importer of crude oil and refined products. This underscores its importance in stabilizing global energy markets.

10. Renewables and Policy Shifts in Japan

Japan is transitioning from LNG to renewables and nuclear energy, reducing its LNG imports. However, its government still supports LNG as a transition fuel.

**The most
important
Middle East
crude oil
assessment
turned 40.**

Discover Platts Dubai,
visit spglobal.com/commodityinsights



Seek & Prosper™





Investing in All Energies Makes Sense to Kuwait and All Mideast Oil Producers



Sara Akbar
CEO, OILSERV Kuwait

As the global energy conversation shifts toward renewables, Kuwait and OPEC remain steadfast in their commitment to developing all forms of energy, including fossil fuels. This approach has been met with skepticism, with critics questioning the relevance of significant investments in oil and gas at a time when the world is transitioning to greener alternatives.

However, as someone deeply embedded in the energy sector, I firmly believe this strategy is not only practical but essential for the world's economic and energy security.

Let's start with the fundamentals. Fossil fuels currently account for more than 80% of the world's energy mix. Even under the most optimistic renewable energy scenarios, oil and gas will remain critical components of the energy landscape for decades. The idea of abandoning fossil fuels prematurely ignores the reality of energy demand in rapidly developing regions such as Asia, Africa, and the Middle East. These regions require reliable, affordable energy to sustain their economic growth, and fossil fuels are uniquely positioned to meet this demand.

Kuwait's recent \$30 billion investment in energy infrastructure exemplifies this forward-thinking approach. Our mature fields, producing 2.5 million b/d, are in natural decline and require significant investment to maintain output. At the same time, we are actively exploring and developing new sources, such as the Ratqa and Omega fields, which now produce 90,000 barrels of heavy oil. Offshore discoveries are also a priority, with deeper reservoirs yielding promising results. These efforts are not about short-term profits—they are strategic moves to ensure that Kuwait remains a reliable supplier in an increasingly uncertain global market.

The construction of the Al-Zour refinery is a prime example of Kuwait's long-term vision. Once criticized as unnecessary, the refinery now operates at full capacity, producing 600,000 b/d of in-demand refined products. This capacity positions Kuwait as a critical supplier in a global market where energy security is becoming

What is the greatest challenge Gulf states face regarding future capital expenditure on new oil capacity?



Source: Global Energy Outlook Forum 2025

more important than ever. Critics may argue that OPEC+ has idle capacity, but that perspective overlooks the strategic need to invest during times of relative stability to prepare for future demand surges.

OPEC+ also plays a pivotal role in stabilizing global markets. The organization's ability to manage production and maintain price stability benefits not only member countries but also global consumers. When prices are too low, investment in energy infrastructure diminishes, risking future supply shortages. When prices spike, economies suffer from inflationary pressures. OPEC+ strikes a balance, ensuring that the world has access to reliable, affordable energy while allowing producers to sustain their economies.

The dual priorities of energy security and transition are at the heart of OPEC's strategy. While some regions, such as Europe, have shifted focus entirely toward renewables, OPEC understands that the transition must be balanced and inclusive. Investing in carbon capture technologies, renewable energy projects, and sustainable practices does not negate

the need for oil and gas—it complements it. Kuwait, for instance, is actively pursuing large-scale carbon capture projects alongside its upstream investments.

Geopolitics further underscores the need for a balanced energy approach. Global tensions, such as the Russia-Ukraine conflict, have highlighted the risks of over-reliance on single energy sources. Diversifying the energy mix ensures that nations like Kuwait can adapt to shifting market dynamics and continue meeting global energy needs. Additionally, investing in oil and gas strengthens energy security by reducing the risk of supply disruptions and ensuring that critical infrastructure remains operational.

For Kuwait, oil and gas are more than just economic drivers—they are lifelines. Alongside the sovereign wealth fund, revenues from these resources underpin the nation's financial stability. Investing in oil and gas ensures that Kuwait can maintain its economic resilience, fund essential public services, and diversify its economy over time. This dual approach aligns with the country's broader vision of balancing traditional strengths with future opportunities. ■

Dark Fleet Dilemma: Why the Shadow Maritime Industry Needs Immediate Regulation



H.E Shaikh Khaled Al-Sabah
Managing Director, International Marketing, Kuwait Petroleum Corporation & Acting CEO, Kuwait Oil Tanker Co

As we move deeper into 2025, the maritime energy landscape faces a profound challenge—one that threatens market stability, environmental safety, and global governance: the rise of the so-called “dark fleet.” This shadow shipping network has rapidly expanded, facilitating the transport of sanctioned oil, particularly from Russia and Iran, under G7-imposed sanctions. While this parallel system has filled a market void, its unchecked growth poses severe risks.

The dark fleet operates beyond the boundaries of conventional maritime regulations. Ships turn off their transponders, conduct covert ship-to-ship transfers, and use dubious insurance frameworks to transport oil. This clandestine activity undermines the integrity of the maritime industry, creating a two-tier system—one governed by international law and the other operating in a regulatory vacuum.

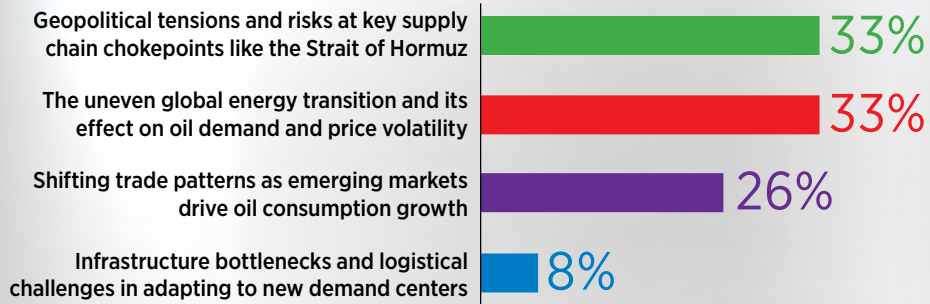
What’s at stake if this continues unchecked? For starters, the risks to

environmental safety are enormous. A collision, spill, or other accident involving a dark fleet vessel could lead to devastating consequences. Without adhering to established safety and operational standards, these vessels expose the marine ecosystem to potential disasters. Consider the incident in 2024 in the Straits of Malacca: a collision involving a dark fleet tanker

highlighted the precariousness of this shadow industry. Should similar events occur on a larger scale, the fallout could be catastrophic, disrupting vital trade routes and tarnishing the reputation of the global shipping industry.

The insurance sector also faces significant risks. Many dark fleet vessels operate with fraudulent or nonexistent insurance documentation. If these

What will be the top trend impacting the direction of oil markets in 2025?



Source: Global Energy Outlook Forum 2025

vessels are involved in accidents or environmental incidents, the financial burden could ripple across legitimate insurers and the broader shipping community, creating unprecedented legal and financial complexities.

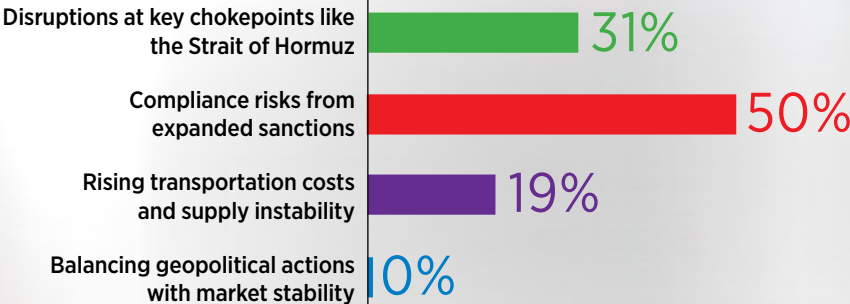
Moreover, the dark fleet’s existence disrupts market dynamics. By evading sanctions, these operators skew supply-demand balances, often undercutting legitimate players. This not only undermines efforts to enforce global sanctions but also jeopardizes the trust and reliability that underpin energy trading and transport.

The international community must act decisively to address this growing threat. A unified global insurance framework could be a starting point, as Sheikh Khaled Ahmad Al-Sabah suggested during a recent interview. By centralizing oversight and enforcement mechanisms—perhaps under the United Nations—governments and industry leaders could bring the dark fleet under some level of control. While eliminating the shadow fleet entirely may be unrealistic, establishing clear boundaries and accountability measures is essential to mitigate its impact.

The implications of inaction extend far beyond the energy sector. If the dark fleet continues to grow unchecked, it will embolden other industries to exploit regulatory gaps, setting a dangerous precedent. The maritime industry, once a model of global cooperation, could devolve into a fragmented, lawless domain, with profound implications for global trade and economic stability.

For nations like Kuwait, which rely heavily on maritime transport for oil

What will be the biggest challenge in managing the nexus of shipping, sanctions, and geopolitics in 2025?



Source: Global Energy Outlook Forum 2025

exports, this issue is particularly pressing. Sheikh Khaled emphasized the importance of maintaining steady, reliable supply chains amid shifting market dynamics. However, the rise of the dark fleet adds a layer of unpredictability, forcing legitimate operators to navigate increasingly complex waters.

Kuwait Oil Tanker Company (KOTC) has already taken proactive measures to ensure the safety of its fleet, rerouting tankers when necessary to avoid high-risk areas like the Red Sea. But such adjustments come at a cost, both financially and operationally. If the dark fleet continues to expand, these challenges will only intensify, straining resources and potentially eroding Kuwait’s competitive edge in global energy markets.

The dark fleet also represents a broader geopolitical dilemma. Its very existence is a byproduct of sanctions—an instrument of foreign policy aimed at pressuring certain states. While sanctions serve legitimate purposes, their unintended consequences, such as the creation of

a shadow shipping network, highlight the need for more nuanced approaches to global governance. Addressing this issue will require not only industry-level interventions but also coordinated diplomatic efforts to reconcile energy security with political objectives.

As we look to the future, the maritime industry must prioritize resilience and adaptability. The rise of the dark fleet is a stark reminder of the challenges that lie ahead in an increasingly fragmented and volatile global landscape. By fostering collaboration across governments, regulatory bodies, and industry stakeholders, we can address this issue before it spirals out of control.

What’s at stake is not just the integrity of the maritime sector but the broader stability of global trade and energy markets. The time to act is now. By confronting the dark fleet head-on, we can safeguard the principles of transparency, accountability, and cooperation that underpin the global energy system, ensuring a safer, more sustainable future for all. ■

Committed to Excellence



سي سي اينرجي ديفالوپمنت
CC ENERGY DEVELOPMENT

Energy Security & Energy Transition Are Complementary Opportunities, Not Competing Interests

As global energy markets anticipate Brent crude prices stabilizing around \$70 per barrel through 2025, producers in the Gulf face a critical challenge: balancing energy security with ambitious transition goals. At Sharjah National Oil Corporation, we view these priorities not as competing forces but as complementary opportunities to drive commercial and environmental progress.

Sharjah's approach exemplifies this balance. While aggressively pursuing upstream exploration to secure future energy needs, we are simultaneously decarbonizing our operations. This April, we will take a significant step forward by commissioning our 60 MW solar plant in cooperation with Emerge, reducing our carbon footprint and setting a benchmark for sustainable growth.

Gas storage also plays a pivotal role in managing the daily fluctuations inherent in renewable energy. As solar energy reduces gas demand during the day and



Khamis Al Mazrouei
Deputy CEO and Executive
Director of Operations, SNOC

spikes at night, storage solutions ensure energy needs are met efficiently. These innovations highlight how smaller entities like SNOC can strategically address the challenges of the energy transition without compromising operational efficiency.

From 2022 to 2024, Sharjah commissioned two large power plants, each with a 25-year lifespan, underscoring sustained gas demand in the UAE. Future projects, including 2.4 GW of new closed-cycle plants in F3 and Dubai's shift from clean coal to gas, confirm the critical role of natural gas in the country's diversified energy mix.

Our commitment to net-zero emissions by 2032 on our own operations aligns

with the UAE's national strategy, ensuring SNOC remains at the forefront of the region's energy transformation. Decarbonization is not just a necessity; it is an opportunity. By reducing the carbon intensity of our operations, we free up gas to sell to power companies, creating additional value for our portfolio.

The energy transition is not an either-or scenario. For SNOC, it represents a path to secure our future, meet immediate energy demands, and contribute to the UAE's long-term sustainability goals. Smaller players in the Gulf can thrive by embracing this dual opportunity, ensuring they remain both competitive and responsible in the years ahead. ■

This Year Will Be a Volatile Year Geopolitically in the Middle East

While we may not see US boots on the ground, we'll face heightened trade tensions and economic disruptions. Trump's support for Israel and policies that enable Israeli territorial annexations will inevitably cause friction, undermining efforts to foster peace between Saudi Arabia and Israel. Additionally, a tighter squeeze on Iran's oil exports will create tension. Trump's goal of energy dominance requires making room in the market, especially since demand isn't particularly strong. Gulf states, like Saudi Arabia and the UAE, are becoming more assertive and less willing to be pushed around, marking a shift in regional dynamics. While the immediate impact on energy markets might be limited, these changes will drive longer-term shifts.

Little Room for More OPEC+ Oil
There's very little room for flexibility to reintroduce volumes but a lot depends on supply dynamics. For instance, Libya is facing potential disruptions due to strikes, and Iran is grappling with severe energy issues, including gas shortages and plant shutdowns. Iran's weak position also makes it an easy target for sanctions, which could further



Kate Dourian, FEI
MEES Contributing Editor & Non-Resident Fellow,
The Arab Gulf States Institute in Washington

constrain supply. Demand, however, remains weak. China is undergoing a structural shift, and some analysts predict gasoline demand there peaking this year, with diesel not far behind. If you read some of the analysis coming out of Saudi Arabia, we see that they acknowledge that Chinese oil demand will eventually peak. However, Gulf producers are hedging against this with downstream investments in Asia, particularly in China. These investments in petrochemicals and refined products add value beyond crude oil sales. Product sales are also growing. And while China might face

challenges importing oil from Russia or Iran due to sanctions and logistical issues, this isn't a significant concern for Gulf producers. Africa is also a major growth area for oil demand, with population growth, urbanization, and economic development. Africa also won't solely rely on solar; energy demands tied to urbanization will require a mix of resources. And India, while not as big as China, remains a growing market. Meanwhile, refined product exports from the Middle East, which aren't subject to OPEC quotas, are rising. This is an interesting trend, as it provides producers with some additional revenue streams. ■

OPEC+ Should Seize the Opportunity Now to Secure Market Share



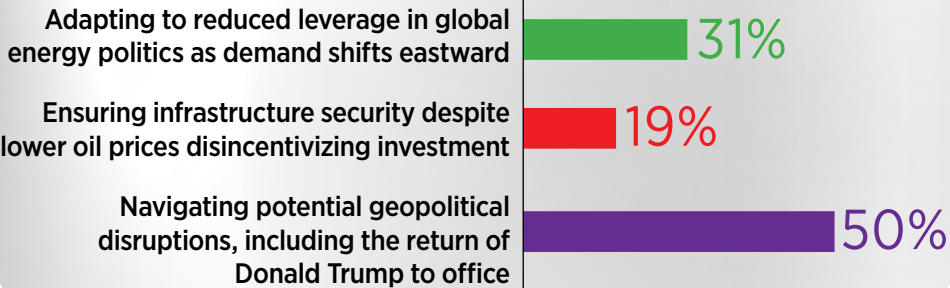
Choeib Boutamine
Energy Advisor & CEO,
Ranadrill Consulting

This is a clear window for OPEC+ because 2025 is shaping up to be a challenging year. On the demand front, the Chinese government has implemented stimulus measures aimed at achieving 5% growth by the end of the year, but it remains a tough target. On the supply side, non-OPEC+ producers are expected to add more than 1.5 million b/d. Waiting until after the winter period to start increasing volumes in April, could be risky. Renewable energy sources like wind will also contribute more to the energy mix by then, especially in Europe, and let's not forget that Germany's wind energy output decreased by 25% recently, creating an energy gap that OPEC+ could capitalize on. Additionally, increased European CO₂ taxes have

spurred demand for heating oil as consumers rush to purchase before further price hikes. The Group of Eight within OPEC+ are playing an increasingly pivotal role, carrying 3.8 million b/d of the overall cuts and shouldering a significant

burden to stabilize the market. While OPEC+ accounts for just 40% of the global market share, its decisions feel much more significant because of its influence on both supply and prices. OPEC+ did very well last year in terms of price stabilization, but it faces even greater responsibility in the years ahead to manage both market share and supply levels, especially with increased production from countries like the US and Guyana. ■

What is the primary challenge Gulf oil producers must address in a shifting geopolitical and energy landscape?



Source: Global Energy Outlook Forum 2025



Can OPEC+ Return Volumes to the Market at the End of Q1?

This remains in question, but we must also consider the positive effects of their policies. Brent crude is trading above \$75 per barrel because stock levels are down. OPEC+ has managed to create a semblance of balance in the market, and I expect they will continue to adopt a cautious, flexible approach. Bringing back volumes at the end of Q1 will depend on multiple factors, beyond price. Demand growth is the key variable this year. We are seeing more consensus on those forecasts



Amena Bakr
Senior Research Analyst,
Energy Intelligence

compared to the uncertainty of last year, where predictions ranged from 500,000 b/d to 2 million b/d. This year, the range is closer to one million b/d. Any consideration of further cuts would undoubtedly be challenging. We've already seen how compliance

pressures have impacted OPEC+ over the past year. Additional cuts would make that harder to enforce. I believe the current dynamics and shared interests among OPEC+ members will help sustain the group's cohesion, at least in the near term.

Market Share & Capacity Considerations

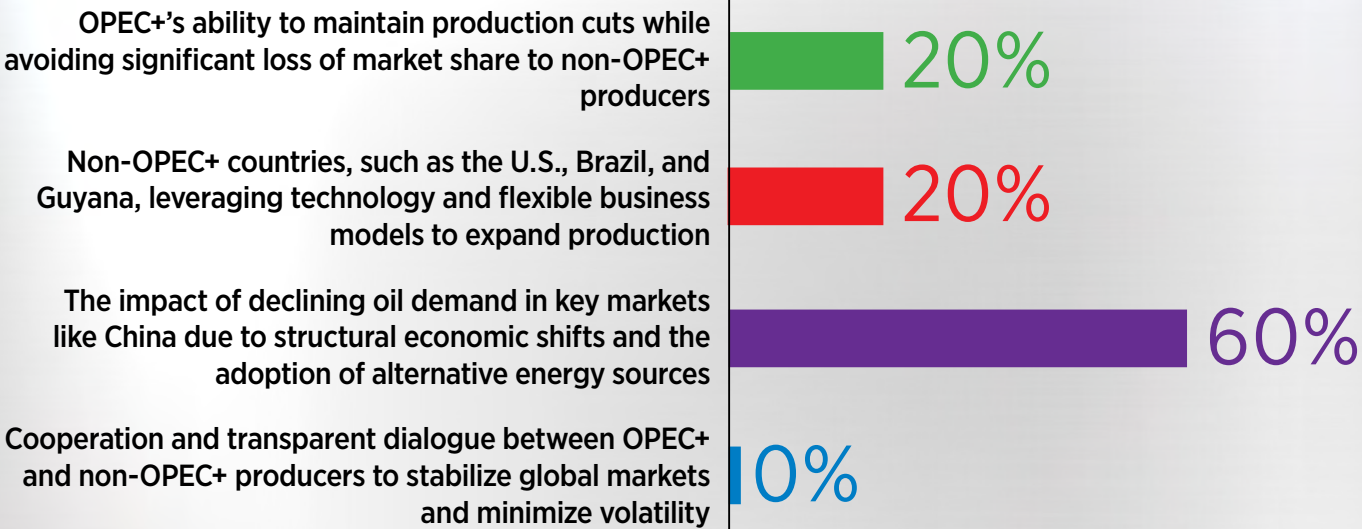
For now, countries like the UAE, which is investing in increased production capacity, seems satisfied with the phased increase in its quota, which will now be implemented over an 18-month period, but challenges may arise when they hit the 5 million b/d mark. The UAE doesn't want to sit on excessive spare capacity, but their role in OPEC+ also extends beyond energy. Their relationship with Saudi Arabia and other members is influenced by regional and political dynamics. Overall, being part of OPEC+ remains beneficial for the UAE, even though they might

“The UAE doesn't want to sit on excessive spare capacity, but their role in OPEC+ also extends beyond energy. Their relationship with Saudi Arabia and other members is influenced by regional and political dynamics.”

prefer to sell more oil at slightly lower prices. Saudi Arabia may also need to exercise more patience. If there's a significant lack of compliance and the OPEC+ agreement begins to unravel, it could act decisively. They're bearing the largest burden, cutting significant capacity. And as we've seen before, it's very easy for

Saudi Arabia to open the taps and ramp up production very quickly. Similarly, if the threat from non-OPEC supply becomes too great, they can reintroduce production at a moment's notice. For example, Brazil disappointed last year, and it may underperform again. It's a waiting game, but if things spiral, voluntary cuts could be reversed. ■

What will be the most critical factor in determining the balance between OPEC+ and non-OPEC+ producers in 2025?



OPEC+ Has Charted a Prudent Course



Uncertainty about oil demand and supply dynamics, and US policy under a new administration, means OPEC+ must navigate its plans around oil volumes carefully. Trump has announced that he will incentivize domestic production and expects global prices to remain low, but I don't think he will necessarily position himself against the group. I also don't think OPEC will take any action that directly contradicts the interests of Saudi-US relations. However, Trump's influence on oil prices will likely come from other policies, such as tariffs on China, Europe, and Canada, which could ripple through the global economy. Moreover, prices in the \$70



Dr. Yousef M. Alshammari, FEI CSci
President, London College of Energy Economics

range may not be a problem for the US, but anything above \$80 could lead to pressure on OPEC+ to increase production. Incentives for more US oil production could add a maximum of 500,000 b/d, but we might see more natural gas production and a relaxation of land-use restrictions. As far as internal OPEC+ policy goes, Saudi Arabia has successfully cemented an agreement that runs until the end of 2026. This is a

significant milestone. Any breakdown in that, as we saw in April 2020 when the agreement collapsed and Russia pumped without limits, seems unlikely now. The kingdom acted then to protect its market share, but under the current framework of compensation and compliance, I believe they will prioritize the stability of the alliance over unilateral action. I anticipate cooperation continuing through at least 2026 without a price war. ■



Geopolitics Playing More Crucial Role Than Fundamentals in Oil Market



Omar Najia
Head of Trading (Derivatives),
BB Energy

US President Trump is likely to prioritize internal politics, rather than international confrontations under his second administration. I expect a more pacifist approach on issues like China, Russia, and Iran. These are complex challenges that require careful handling. The US has effectively lost its dominant position in the global order. Sanctioning Iran for decades hasn't achieved the desired outcomes for example, so I

think Trump might pursue a different strategy. This more cautious approach could lead to stable or lower oil prices this year. On the other hand, in real terms, oil prices today are historically low. Oil is the most heavily traded and financialized commodity in the world, outpacing gold and all other commodities combined. Its price is influenced by supply and demand to some extent, but largely it's treated as a financial asset. The goal of keeping

oil prices low is strategic, but rate cuts could change that dynamic, and that is likely to happen. If the US doesn't cut interest rates further, it's unsustainable. It has a massive budget deficit, and servicing that debt is increasingly expensive. Trump has also promised tax cuts, which means more spending. The deficit, already at \$1.7 trillion, will keep growing. Eventually, confidence in the dollar as a reserve currency will wane – and when it does, the shift will be sudden. Currently, most US debt is being sold as short-term treasuries because there's little appetite for longer-term debt - this is reflective of the broader concerns about US fiscal sustainability. ■

2025: A Stable Year with Minimal Geopolitical Upheaval

US President Trump's approach

to China and Russia, for instance, appears focused on economic challenges like tariffs, rather than military confrontations, signaling a pro-peace stance. That said, economic disruptions will likely slow the global economy and reshape trade dynamics. Iran will remain a key player. If Trump tightens sanctions, there may be less Iranian oil on the market. However, even that might not push prices significantly higher, with global oil demand growth slowing. I don't see that exceeding one million b/d going forward; anyone still projecting 2



Viktor Katona
Head of Oil Analysis, KPLER

million b/d growth, particularly with China's current trajectory, is overly optimistic.

Any potential reduction in Iranian oil flows could create opportunities for Middle Eastern producers to fill the gap in China. This could benefit companies with proprietary shipping operations. The main shipping dynamic 'risk' in 2025 will stem if we see peace efforts succeed in

the region. The Suez Canal could return to more efficient operations, shorten shipping routes, lower costs and impact the broader market. For now, the outlook for shipping is relatively flat, but real peace could create a negative price impact for producers due to increased shipping efficiency. This is the key geopolitical development to watch impacting oil markets. ■



Middle East Geopolitical Landscape Unlikely to Settle in 2025



Mehmet Ögütçü
Group CEO, Global Resources Partnership,
Chairman, London Energy Club

Israel's influence will likely

continue to grow, with potential implications for Syria, Lebanon, and even a possible strike on Iran. Such developments could wreak havoc on energy markets, especially at strategic chokepoints like the Strait of Hormuz, through which nearly 20 million barrels of oil pass daily. Any disruptions here would have severe consequences. The roles of major powers like China and Russia are also pivotal. While Iranian and Russian presence has waned slightly due to Russia's focus on Ukraine and shifting dynamics in Syria and a weakening of Iran's proxies, both nations remain influential. Meanwhile, China is poised to play

an even greater role, especially after brokering peace between Saudi Arabia and Iran and investing heavily in regional infrastructure.

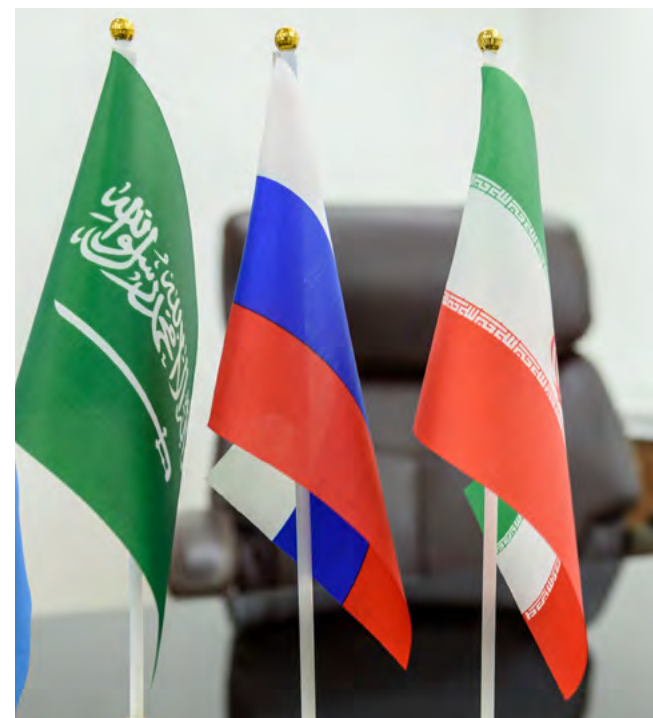
Due to their mutual interests in security, tourism, defense, nuclear energy, and natural gas, Turkey and Russia will remain critical geopolitical partners. Russia supplies the bulk of Turkey's gas and is constructing Turkey's first nuclear power plant. They do diverge significantly on many geopolitical issues, from the Caucasus to Syria and Iran, but their energy ties will remain robust. With the transit route through Ukraine closed, Turkey may facilitate additional Russian gas exports via the TurkStream 2 pipeline, as well as gas from Azerbaijan and

elsewhere. Turkey and Russia will maintain a pragmatic relationship, balancing areas of conflict and cooperation.

The Future of Syria

The real problem will be with Israel, the US and some of the Arab countries in determining which direction the new regime in Syria will move. It can't wait four years as has been possibly proposed, for a new constitution and election to take place. How the region's political-military structure will evolve remains in question so there are huge challenges ahead. Syria's reconstruction also poses an issue, with questions on who will fund the \$400 billion required. As for relations between Turkey and Israel, although they have not seen eye to eye historically, geopolitical pragmatism might encourage dialogue between these two regional powers, under Trump's influence. ■

Middle East Faces a Year of Political Settlements, Reconstruction, & Removal of Sanctions



The emerging winners in the region appear to be Israel and Turkey, while the US gains leverage in potential negotiations with Iran. Reconstruction efforts will drive the need for energy, with opportunities for expanded hydrocarbon activities in Lebanon, Egypt, and even Cyprus. Syria, despite its challenges, may also attract investment in offshore oil and gas development. Furthermore, reconstruction in Gaza, Lebanon, and Syria could incorporate green energy initiatives, fueling investment in renewable energy.

However, investment in regions like the Eastern Mediterranean or North Africa has been contingent on



Laury Haytayan
MENA Director, Natural Resource Governance Institute

political settlements and guarantees. Gulf nations for example, have the financial capacity to invest, but they've been prioritizing their domestic diversification efforts to prepare for the Energy Transition and the eventual decline in oil and gas revenues. Historically, Gulf countries have hesitated to invest in nations like Lebanon, Syria, and Iraq if political conditions appeared unstable or unfavorable – particularly

if Iranian influence loomed large. Even after the Saudi-Iran deal under Chinese mediation, they remain cautious to invest without clear political alignment in their favor. However, the shifts since October 7th – including Israel's gains, Iran's losses, and the fall of the Assad regime – could reshape perceptions. The emerging new order may lead to the gradual removal of sanctions and incentivize investments. ■



Iran's Capacity to Leverage Hard Power in the Gulf Has Been Diminished



Danial Rahmat
Senior Energy Security Consultant, Iran

This is partly due to strategic pressure from China. Beijing has exerted its influence, particularly as Iran relies heavily on Chinese revenue for oil exports. China used this leverage to help broker a stable ceasefire in Yemen, easing tensions with GCC countries. If Iran were to reignite crises like those targeting Saudi Aramco facilities, it would jeopardize its relationship with China, which is crucial for its economic survival. I doubt the more rational elements of Iran's decision-making apparatus would

allow such provocations to resume at the same intensity. However, the region remains highly volatile. We must also consider shifting regional dynamics; strategic partnerships often depend on shared objectives. For example, the foundation of Iran and Russia's collaboration was their mutual interests in Syria. If the war in Ukraine ends, a key question will be whether Russia continues its strategic partnerships in the Gulf. Russia's investments in the Gulf and reciprocal Gulf investments in Russia

have been pragmatic and mutually beneficial. If the war concludes, these relationships may shift, raising questions about their long-term sustainability.

Turkey Assumes Pivotal Regional Role Without Turkey, Syria remains insecure and politically unstable, so any investments there will require its agreement. Turkey's contractors are also well-equipped for reconstruction, and the Syrian economy aligns closely with Turkish industries. Any major investments or partnerships in the region will now need to account for Turkey's strategic priorities and growing role in shaping Middle Eastern geopolitics and energy markets. ■

Saudi Arabia's Cautious Approach to Expanding Oil Capacity Exemplifies a Long-term Strategy

The Gulf region sits at the center of the global energy landscape, balancing its role as a major supplier of hydrocarbons with the mounting pressures of the Energy Transition. As the world looks to decarbonize, Gulf states must navigate a complex path that aligns traditional energy production with sustainability-focused strategies.

Despite the focus on renewables, complete reliance on green energy is unrealistic in the near term. Metals and minerals critical to renewable technologies are concentrated in fewer countries than oil and gas, creating potential vulnerabilities. Instead, the Energy Transition should aim to rebalance the global energy mix, with hydrocarbons continuing to play a key role, albeit in a more sustainable form.

The Gulf's unique advantages – vast proven reserves, low production costs, and strategic geographical positioning – remain critical assets. However, the region's producers face varying levels of carbon intensity, with the GCC nations, including



Dr. Carole Nakhle
CEO, Crystol Energy &
President of Arab Energy Club

Saudi Arabia, Kuwait, and the UAE, leading the way in low-emission production. In contrast, countries like Algeria and Iraq struggle with challenges like gas flaring and higher emissions.

Saudi Arabia's cautious approach to expanding oil capacity exemplifies a long-term strategy. By preserving its low-cost, low-carbon intensity reserves, it positions itself as a key player in the Energy Transition while stabilizing markets during periods of volatility. This approach underscores the importance of adaptability as market conditions evolve.

The challenges for Gulf producers are not limited to carbon reduction. The UAE, for instance, recently postponed plans to increase its OPEC quota, reflecting broader market dynamics. OPEC+ faces the

difficulty of managing strong non-OPEC+ supply growth and limited demand increases while maintaining price stability. Geopolitical risks and economic uncertainties, including a potential shift in U.S. energy policy, further complicate the outlook.

Brent crude prices are more likely to be in the \$70s in 2025, but this forecast remains subject to significant volatility. The Gulf's ability to maintain energy security while advancing decarbonization will determine its relevance in a rapidly changing landscape. The stakes are high. Gulf producers must adapt, align with global trends, and lead in both energy security and transition, ensuring their continued economic vitality and geopolitical influence in the decades ahead. ■



Gulf NOCs Pursuing Differing Strategies on Capacity Expansion



Jamie Ingram
Senior Editor,
Middle East Economic Survey

Production at Saudi Arabia's Jafurah Basin unconventional gas project includes substantial liquids production, and could ramp up to 400,000 b/d of condensate by the end of the decade, alongside 400 million cubic feet per day of ethane. These liquids also align well with China's growing demand for

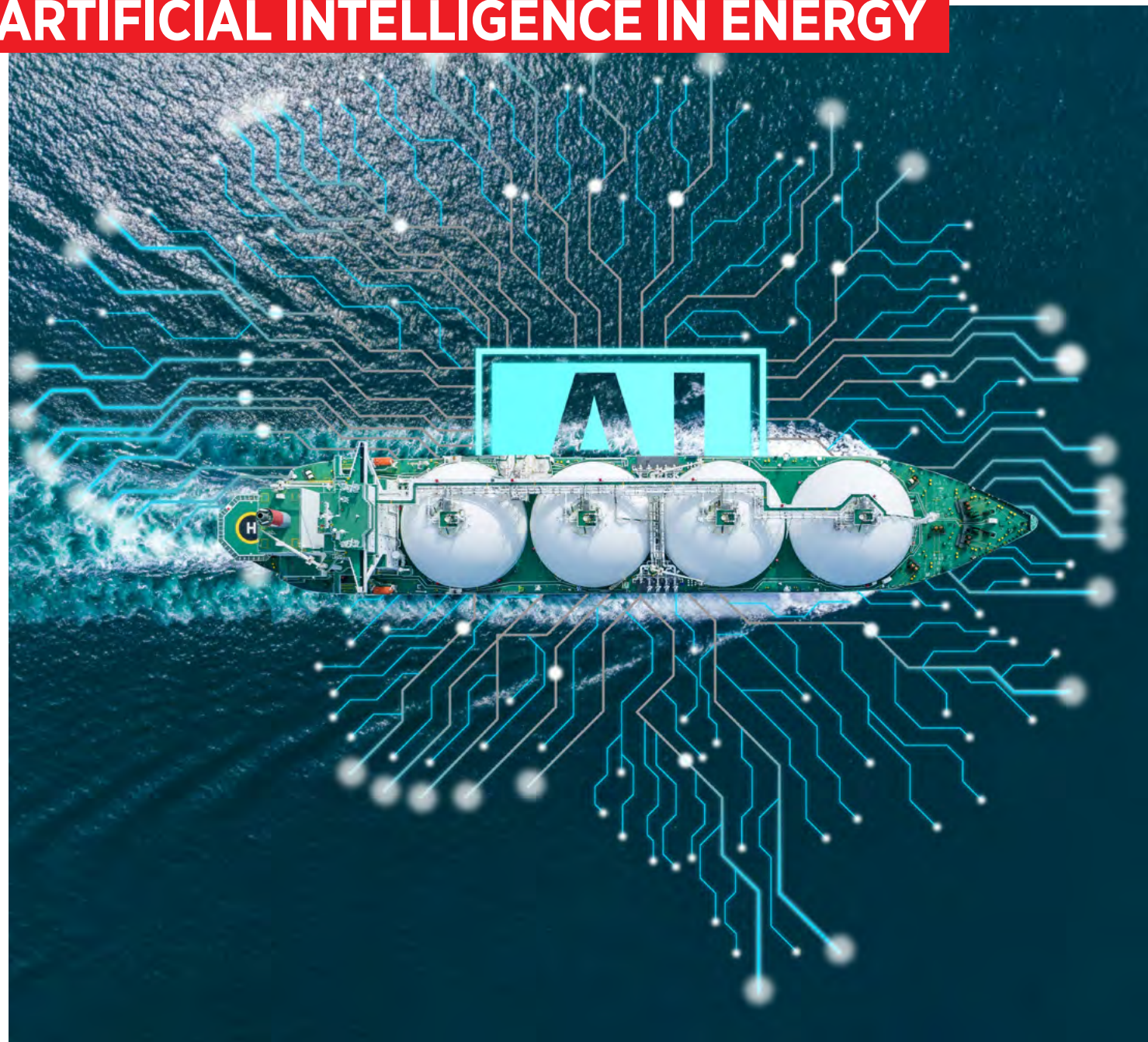
petrochemical feedstocks, even as overall oil demand plateaus. Saudi Aramco is also acquiring stakes in Chinese refineries and integrating them with petrochemical facilities to secure their supply chain.

Kuwait by contrast has invested in refineries in Oman, expanded domestic refining capacity, and

secured partnerships in Vietnam. This approach minimizes their exposure to potential risks from China.

The UAE is aggressively expanding its capacity and marketing its low-carbon hydrocarbons, leveraging investments in nuclear and solar energy to decarbonize its industrial base. Gulf producers, particularly Saudi Arabia and the UAE, are positioning themselves as suppliers of the "cleanest barrels" in the global energy mix. This could be a key selling point as the world continues to prioritize emissions reduction. ■

ARTIFICIAL INTELLIGENCE IN ENERGY



The AI Paradox: Navigating Strategy & Innovation in Energy

Artificial intelligence (AI) is reshaping industries at an unprecedented pace, but its integration into the energy sector presents unique challenges. Many organizations approach AI as a plug-and-play tool, expecting instant results. This mindset is flawed. AI is not just a technology; it's a framework for infusing intelligence throughout an organization – a process that requires bespoke strategies and cultural shifts.

Energy companies, particularly national oil companies (NOCs), often struggle with AI adoption due to their traditional focus on capital deployment and long-term investments. By contrast, international oil companies (IOCs) and independents are driving much of the innovation. They recognize that success with AI hinges on collaboration between human expertise and technological capabilities.

One critical challenge is the misalignment between governance structures and technological innovation. While the energy industry operates on decades-long investment



Dr. Morgan Eldred
Founding Partner, Digital Energy

cycles, AI evolves at a much faster pace, creating a mismatch that stifles progress. Moreover, many companies fail to treat AI providers as intelligence partners, limiting the integration of AI into core operations.

The rise of AI also demands a new approach to value creation. Data is becoming the new oil, and companies must position themselves to leverage this asset effectively. This shift could redefine the industry, with operators potentially selling data insights to trading houses instead of hydrocarbons. However, this evolution requires significant investment in infrastructure, such as data centers, to process and analyze data at scale.

Ethical considerations are another critical factor. AI must operate transparently and reliably,

with human oversight ensuring accountability. Regulatory frameworks, which historically lag behind technological innovation, must evolve to address these challenges.

Looking ahead, AI offers immense opportunities for the energy sector, but it is not a magic solution. It requires careful strategy, robust governance, and a commitment to integrating human and artificial intelligence. The companies that succeed will be those that view AI not as a tool but as a transformative force capable of reshaping their operations and value propositions.

The energy industry stands at a crossroads. Embracing AI intelligently will determine whether it leads in the new era of digital transformation or gets left behind. ■

ARTIFICIAL INTELLIGENCE IN ENERGY



Harnessing AI’s Potential:
ADNOC’s Path to Innovation



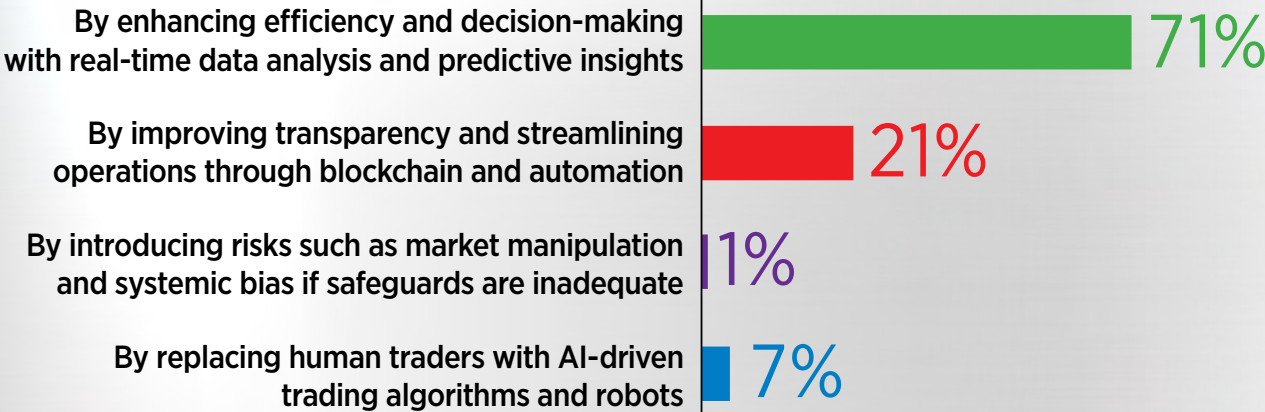
Dr. Christopher Hayden Cooper
Executive Advisor, ADNOC

The energy sector is experiencing a profound transformation driven by Artificial Intelligence (AI). At ADNOC, this transformation is not a distant goal – it’s happening now. In

2024 alone, our AI-driven projects delivered \$500 million in net value, underscoring the immense potential of this technology when strategically deployed.

Our journey with AI has been deliberate and focused. The foundation of our success lies in preparing our workforce for this new era. Over six months, more than

How will AI most significantly impact energy trading over the short to medium term?



Source: Global Energy Outlook Forum 2025

“By leveraging our 85+ years of data and integrating domain specialists with AI teams, we aim to unlock smarter, faster, and more sustainable solutions.”

30,000 employees, including senior executives, participated in immersive AI training. This initiative was about more than technical skills – it addressed cultural barriers, shifting perceptions of AI from a threat to an enabler of innovation. The result? Employees now proactively seek AI solutions to enhance their work, fostering a culture of innovation across the organization.

AI’s applications at ADNOC span the entire value chain, from drilling and reservoir management

to emissions monitoring and downstream operations. We’ve moved beyond model-based AI and implemented Generative AI and are now exploring the possibilities of Agentic AI – an advanced approach poised to revolutionize decision-making and operational efficiency.

However, the journey is not without challenges. Strategic clarity is essential to ensure that every AI initiative delivers measurable value. At ADNOC, we rigorously assess whether to build, buy, or partner

for AI solutions, always prioritizing long-term impact. Collaboration with global specialist industry solution integrators enables us to align cutting-edge technology with our operational needs.

Looking forward, the future of AI in energy is not just about technical advancements – it’s about combining these tools with human expertise. By leveraging our 85+ years of data and integrating domain specialists with AI teams, we aim to unlock smarter, faster, and more sustainable solutions. AI is not here to replace humans but to empower them. At ADNOC, we’re not only embracing this transformation; we’re leading it. The energy sector’s ability to adapt to AI will define its relevance in the decades to come. ■

ARTIFICIAL INTELLIGENCE IN ENERGY

The Competitive Edge: AI's Transformative Role in Commodities Trading



Richard Frey
CEO of INAIT

Artificial intelligence (AI) has already revolutionized industries, and commodities trading is no exception. We are witnessing an “arms race” among trading houses to adopt and integrate AI technologies. The firms that succeed will not only enhance efficiency but also define the future of the industry.

In Zug, Switzerland – a global hub for commodities trading – AI is not viewed as a distant prospect but a present reality. Companies are racing to develop advanced forecasting models and high-performance algorithms that extract deeper insights from data. However, technology alone is insufficient. Success lies in the intersection of cutting-edge tools and deep market expertise.

A strong foundation of data management is critical. High-quality, clean, and well-structured data is

the lifeblood of AI systems, enabling algorithms to deliver reliable insights. Beyond this, transparency and collaboration between technical teams and sector specialists ensure that AI models are both effective and trustworthy. Without these elements, companies risk deploying systems that fail to generate value or, worse, erode trust in their decision-making processes.

One of the most exciting areas of AI application is in electricity trading and equities. The ability to process vast datasets in real time and anticipate market movements provides traders with a competitive edge. This capability is especially valuable in highly volatile markets, where milliseconds can make a difference.

Looking ahead, AI is set to evolve further with advancements like genetic AI and energy-efficient

hardware. These innovations promise even greater capabilities, including enhanced decision-making and faster processing speeds. However, as AI becomes more integrated into trading, questions of ethics, reliability, and risk management come to the forefront.

The human element remains indispensable. AI can enhance performance and uncover patterns, but ultimate control and strategic decision-making must stay with humans. Regulatory frameworks must adapt to this new reality, ensuring safeguards such as kill switches and oversight mechanisms.

AI in trading is not just about technology; it's about rethinking how we approach markets and decisions. As we look to 2025, expect groundbreaking collaborations between industry leaders and tech innovators to redefine what's possible in commodities trading. The future belongs to those who can seamlessly blend human expertise with AI's transformative power, ensuring smarter, faster, and more strategic trading decisions. ■

IS DATA THE NEW OIL?

“We’ve seen oil companies attempt to diversify into new business areas in the past —whether it be IOCs selling food at fuel stations, launching broadband services, or moving into mining. With AI, it’s all about data and data centers, so, it’s conceivable that we could see the likes of Shell, BP, ADNOC, or Aramco moving into that business in future.”

**Andy Critchlow, Global Head of News,
S&P Global Commodity Insights**

TOP 10 OUTLOOK FOR MIDDLE EAST ENERGY MARKETS IN 2025

1. Middle East Oil Production Expansion

Kuwait plans to increase production capacity to 3.5 million barrels per day, supported by a \$30 billion investment in energy infrastructure. Similarly, the UAE is targeting 5 million barrels per day in the near future.

2. OPEC+ Challenges and Influence

The Group of Eight within OPEC+, including Saudi Arabia and Algeria, is managing over 3.8 million barrels per day in cuts, underscoring their pivotal role in maintaining market stability despite challenges from rising non-OPEC supply.

3. Refining Capacity Growth

Middle Eastern refiners, particularly in Kuwait and Saudi Arabia, are ramping up exports of refined products, which are not subject to OPEC+ quotas, strengthening their global market presence.

4. Energy Transition in the Gulf

Gulf states are investing heavily in renewable energy, hydrogen, and nuclear power while continuing to leverage their low-cost oil production. These investments are part of a strategy to diversify revenue streams and reduce carbon intensity.

5. Geopolitical Risks in Shipping

The Strait of Hormuz remains a critical chokepoint for global energy flows, with risks of disruptions due to regional tensions, particularly involving Iran. These risks could impact oil transportation and insurance costs.

6. Iran's Role Under Renewed Sanctions

With Trump's return to office, increased U.S. pressure on Iran is expected, potentially curbing Iranian oil exports further and creating opportunities for Gulf producers to fill the gap.

7. Saudi Arabia-Russia Alliance in OPEC+

The strategic partnership between Saudi Arabia and Russia continues to anchor OPEC+, ensuring alignment in managing supply cuts and stabilizing prices.

8. Petrochemicals and Value Addition

Gulf states are increasingly focusing on downstream sectors like petrochemicals to enhance value addition from their oil exports, particularly in Asian markets.

9. Renewable Energy Cost Advantage

The Middle East's solar radiation levels and cost advantages position it as a leader in renewable energy deployment, particularly for solar and green hydrogen production, which remain long-term priorities.

10. Africa as a Growth Market for Gulf Producers

With Africa's urbanization and energy demand expected to grow significantly, Gulf countries see the continent as a key market for oil and gas exports.

Our energy for change

Because energy is the driving force behind industry and everyday life. Even and especially in challenging times. That's why our heart beats for a reliable, flexible and increasingly greener energy supply.

We are shaped by change and our strength is our experienced team. We are doing all we can to accelerate the green transformation. Like no other company, we master the interplay between electricity and gas – both regionally and on the international markets.

We deliver the right energy to the right place at the right time at the right price – for all our customers.

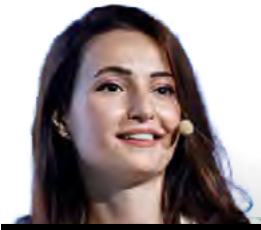
Uniper. The beating heart of energy.



**uni
per**



Europe's Energy Crossroads: Securing a Resilient Future in a Post-Ukraine War Era



Boyana Achevski
Secretary General, Gas Infrastructure Europe (GIE)

In the aftermath of the Russian invasion of Ukraine, Europe's energy landscape has undergone profound changes, exposing vulnerabilities in our energy security while catalyzing much-needed transformation. This period marks a pivotal moment in our journey toward energy independence, sustainability, and resilience.

The war in Ukraine has forced us to reduce our reliance on Russian gas, which once accounted for 35% of Europe's imports. Today, that share has plummeted to just 8%. While this shift is a significant step forward, it has not been easy. Nations across the continent have had to secure alternative supplies, investing heavily in LNG infrastructure, renewable energy, and new agreements with countries like the United States, Qatar, and the UAE. These efforts have reshaped Europe's energy strategy.

Yet, challenges remain. Rising energy costs, strained supply chains, and geopolitical instability make it difficult to balance energy security with our ambitious climate goals. While we have made progress in expanding renewable energy capacity, the transition remains uneven across member states. Austria, Slovakia, and Moldova, for example,



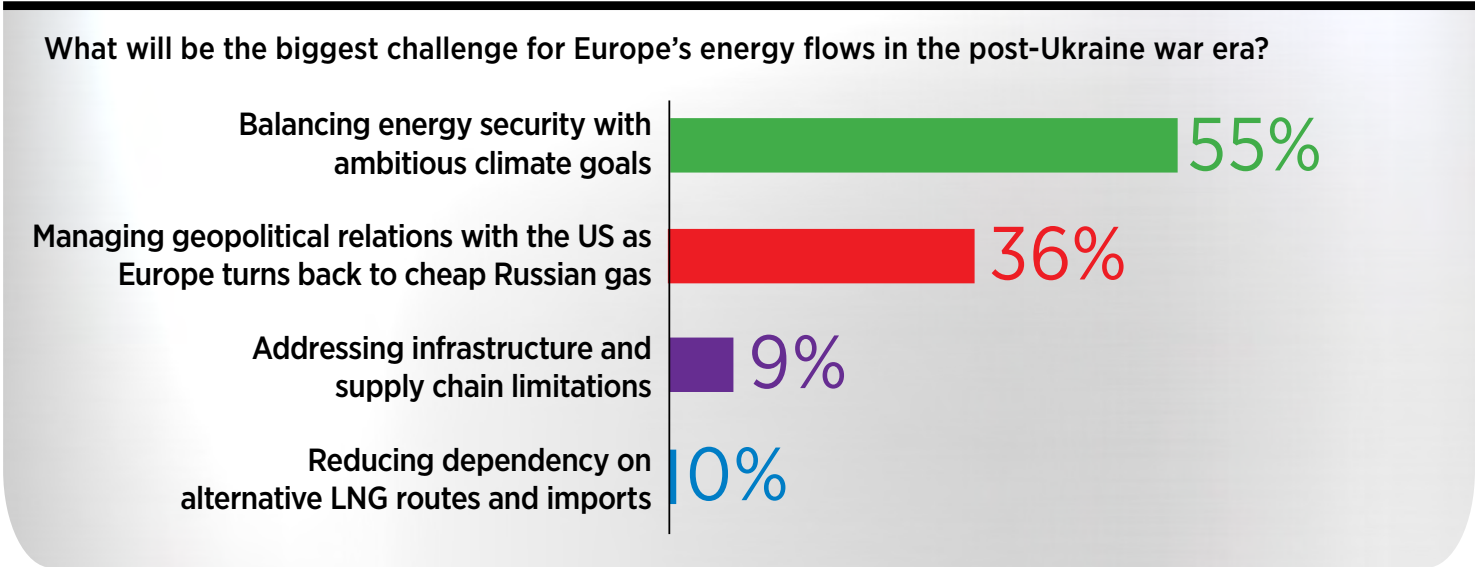
are heavily reliant on Russian gas transported via the Ukraine pipeline and are particularly vulnerable to supply disruptions. Without decisive action, these vulnerabilities could deepen, leaving us at the mercy of future crises. High energy costs risk undermining economic stability, widening inequalities, and weakening Europe's global competitiveness.

Despite these obstacles, I believe we have an incredible opportunity to emerge stronger. By diversifying our energy sources, we have already begun to reduce our overreliance on Russian gas. For instance, we have embraced LNG imports from the United States and

Qatar while increasing pipeline gas from Norway. Investments in LNG terminals and floating storage units have proven critical in ensuring secure and flexible energy supplies. But these short-term measures are not enough. We must focus on long-term, transformative solutions that address immediate needs without compromising sustainability.

As Secretary General of Gas Infrastructure Europe (GIE), I have witnessed firsthand the potential of Europe's gas infrastructure to play a central role in our path to climate neutrality. The way we use gas infrastructure in Europe will be very different in the future. There are concerns about the fate of our gas systems in a decarbonized world, with some fearing they may become obsolete. However, I strongly believe that today's infrastructure is efficient, available, and essential to achieving affordable decarbonization.

We cannot achieve our climate goals by relying on electricity alone; we need to utilize both energy carriers—gas and electricity. Our existing infrastructure provides a foundation to integrate new energy carriers such as biomethane, green hydrogen, and synthetic methane.



GIE members are working on innovative solutions to facilitate these gaseous energy carriers, using pipelines, storage facilities, and LNG terminals to build a decarbonized energy system. Our strategy is to better use the infrastructure we already have rather than developing entirely new solutions from scratch. This approach allows us to adapt efficiently while minimizing costs and disruptions.

The European Commission's recent impact assessment outlines pathways to achieve climate neutrality by 2050, positioning gas infrastructure as a critical enabler of this transition. To succeed, we need adequate financing schemes to unlock the full potential of our existing systems and accelerate the integration of renewable gases. Advances in hydrogen technologies are already demonstrating what is possible, but we must match this momentum with investment and commitment.

By 2025, I envision Europe's energy flows reflecting a more balanced

approach, combining secure, diversified supplies with significant progress in decarbonization. Renewable energy sources like wind, solar, and green hydrogen will play a critical role, but challenges such as geopolitical uncertainties, infrastructure limitations, and high energy prices will continue to test us. We must strike a balance between short-term security and long-term sustainability. If we prioritize immediate fixes at the expense of our climate goals, we risk entrenching our dependence on fossil fuels, undermining the progress we have made, and compromising Europe's leadership in the global Energy Transition.

Collaboration across borders is essential to our success. Regional projects like the Southern Hydrogen Corridor demonstrate the power of collective action in addressing shared challenges. The European Energy Union provides a platform for harmonizing targets and initiatives, but solidarity among member states is critical. Fragmentation would

lead to inefficiencies and heightened risks, especially for countries that are more vulnerable to energy crises.

The stakes could not be higher. Without decisive action, we risk prolonged energy insecurity, economic instability, and a failure to meet our climate commitments. Rising energy prices could erode public trust in the green transition, and geopolitical pressures could leave us exposed to external influences. This is not just a financial risk; it is a challenge to Europe's resilience and leadership.

We stand at a crossroads. The challenges exposed by the Ukraine war are immense, but they also offer us an opportunity to redefine Europe's energy future. By committing to diversification, collaboration, and sustainability, we can secure our place as a global leader in the Energy Transition while protecting our citizens and economies from future crises. This is more than an energy policy decision—it is a test of Europe's ability to lead in a changing world. ■

The Energy Transition is Proving Resilient, Hand in Hand with Energy Security



Jarand Rystad
Founder & CEO, Rystad Energy

The global energy landscape is at a crossroads. For years, the Energy Transition has been framed as a balancing act between security, affordability, and sustainability – a concept once labeled the “energy trilemma.” Today, its survival hinges on addressing this challenge with urgency, innovation, and strategic foresight. The stakes could not be higher, as the path forward will determine not only energy market dynamics but also the resilience of economies and the health of the planet.

Historically, countries faced difficult choices between energy security, often reliant on domestic coal, affordability through imported oil and gas, and sustainability through renewables. Twenty years ago, the trade-offs were stark: renewables were the most expensive option by far, making the energy trilemma an unavoidable reality. However, rapid technological advancements in wind, solar, and battery storage have upended this equation. What was once an unattainable balance is now increasingly achievable, with renewables offering secure, affordable, and sustainable solutions.

Countries leading this charge – such as Finland, Denmark, Sweden, and

Switzerland – provide a blueprint for balancing these priorities. These nations have made significant investments in renewables and infrastructure, reaping the benefits of reduced carbon footprints and greater energy independence. However, this progress has not been evenly distributed. Many nations, particularly those with less financial flexibility, continue to grapple with the upfront costs of transitioning to clean energy systems.

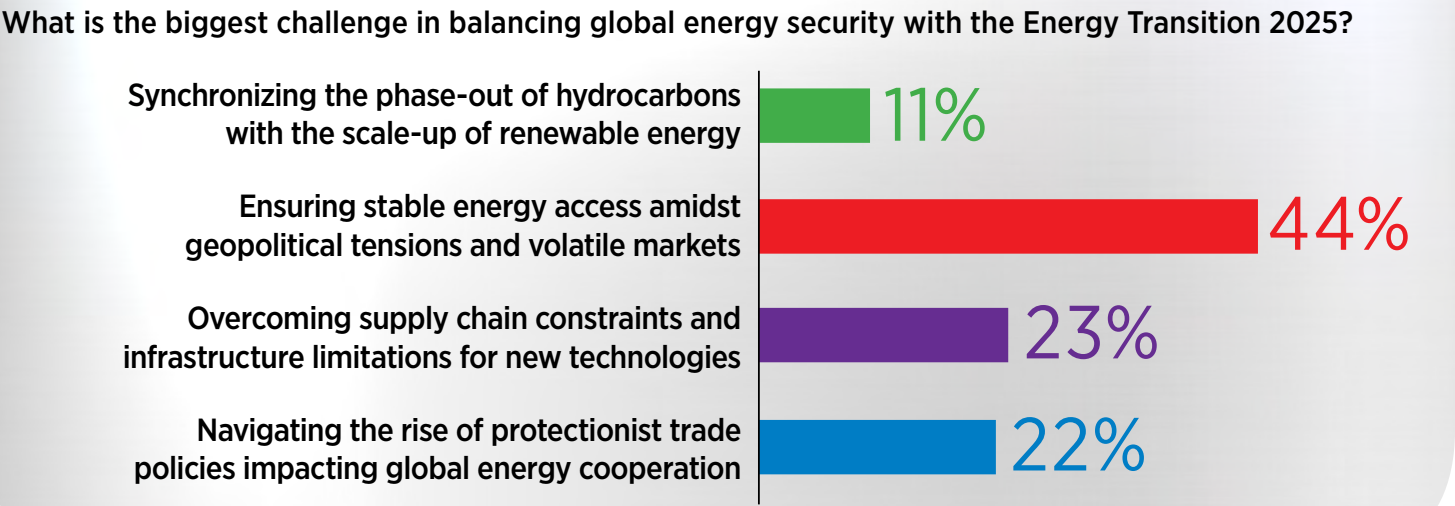
Global momentum behind the Energy Transition faces significant headwinds. Across the world, anti-transition rhetoric has grown louder. Critics question the reliability of wind and solar, citing intermittency and framing the transition as an economic burden rather than an opportunity. While this narrative has gained traction, particularly in the aftermath of rising energy costs in Europe, the reality on the ground tells a different story. Deployment of solar, wind, and batteries is outpacing forecasts, driven by technological improvements and declining costs.

Despite the noise, actual policy reversals remain limited. In Europe, where skepticism has grown in some quarters,

most green policies remain intact. On the global stage, the US exemplifies how economic and political forces can align to sustain the transition. Policies like the Inflation Reduction Act, which incentivizes green energy investments, have gained bipartisan support, even among skeptics. The act’s focus on tax relief, supply chain independence, and benefits to Republican-majority states ensures its longevity regardless of political shifts.

China, long a driver of global energy demand, is undergoing a pivotal shift that underscores the need for adaptation in the Energy Transition. Its oil consumption, particularly for diesel and gasoline, has plateaued, signaling the end of its decades-long role as the world’s largest incremental oil consumer. This shift presents a challenge and an opportunity. While demand for petrochemical feedstocks like naphtha remains, China’s evolving energy landscape emphasizes domestic production and renewables.

On the supply side, non-OPEC oil producers are stepping up. Countries like Brazil, the U.S., Canada, Norway, and Guyana are increasing output, with non-OPEC production expected to grow by 1.7 million b/d this year. However, this influx



Source: Global Energy Outlook Forum 2025

of supply brings its own risks, particularly for OPEC, which has struggled to balance production cuts with price stability. Any misstep could trigger significant market volatility, underscoring the delicate balance required to navigate this new energy reality.

The Energy Transition is not without its critics in the U.S. oil and gas industry, but their focus has shifted. Capital discipline remains the guiding principle, with companies prioritizing returns to investors over aggressive drilling. This measured approach reflects a recognition that oversupply risks crashing markets, as evidenced in 2014. Interestingly, even policies aimed at deregulating fossil fuels could indirectly benefit renewables, which are already economically competitive in many markets.

Europe’s response to the Russia-Ukraine conflict further highlights the resilience of the Energy Transition. New LNG terminals, increased exports from

Norway, and diversified supply sources have bolstered Europe’s energy security while accelerating the transition. However, its relationship with Russia is unlikely to recover soon, with trust shattered for at least the next decade.

Underlying these developments is a profound shift in the energy sector’s value proposition. Data is increasingly becoming as valuable as oil, reshaping how companies approach their business models. The ability to extract actionable insights from vast datasets using AI is not just a competitive advantage – it’s a necessity for survival. Companies that embrace data monetization, leveraging it alongside traditional energy assets, will define the next phase of the transition.

The survival of the energy transition ultimately depends on striking the right balance between competing priorities. Investments in renewables must accelerate, but not at the expense of reliability or affordability. Policymakers must create frameworks that encourage

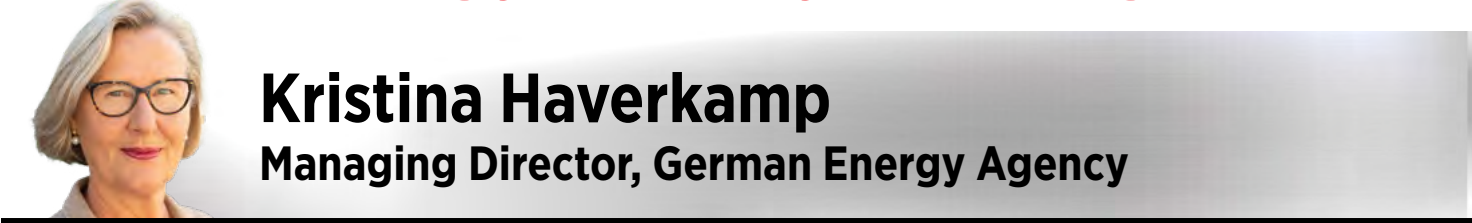
innovation while addressing legitimate concerns about intermittency and cost.

Equally critical is the need for collaboration. Governments, energy companies, and technology providers must align their efforts to scale solutions that work across diverse markets. The transition will not look the same everywhere; localized approaches that account for regional needs and resources will be key to ensuring no one is left behind.

The Energy Transition is not merely about shifting from fossil fuels to renewables; it’s about redefining how the world powers itself in a way that is equitable, sustainable, and secure. The decisions made today will shape the energy landscape for decades, influencing not just economic outcomes but the very fabric of global stability. As countries and companies navigate this transformation, the question is not whether the transition will happen but how successfully it will unfold. ■



Germany Stands Firm on Decarbonization Despite Energy Security Challenges

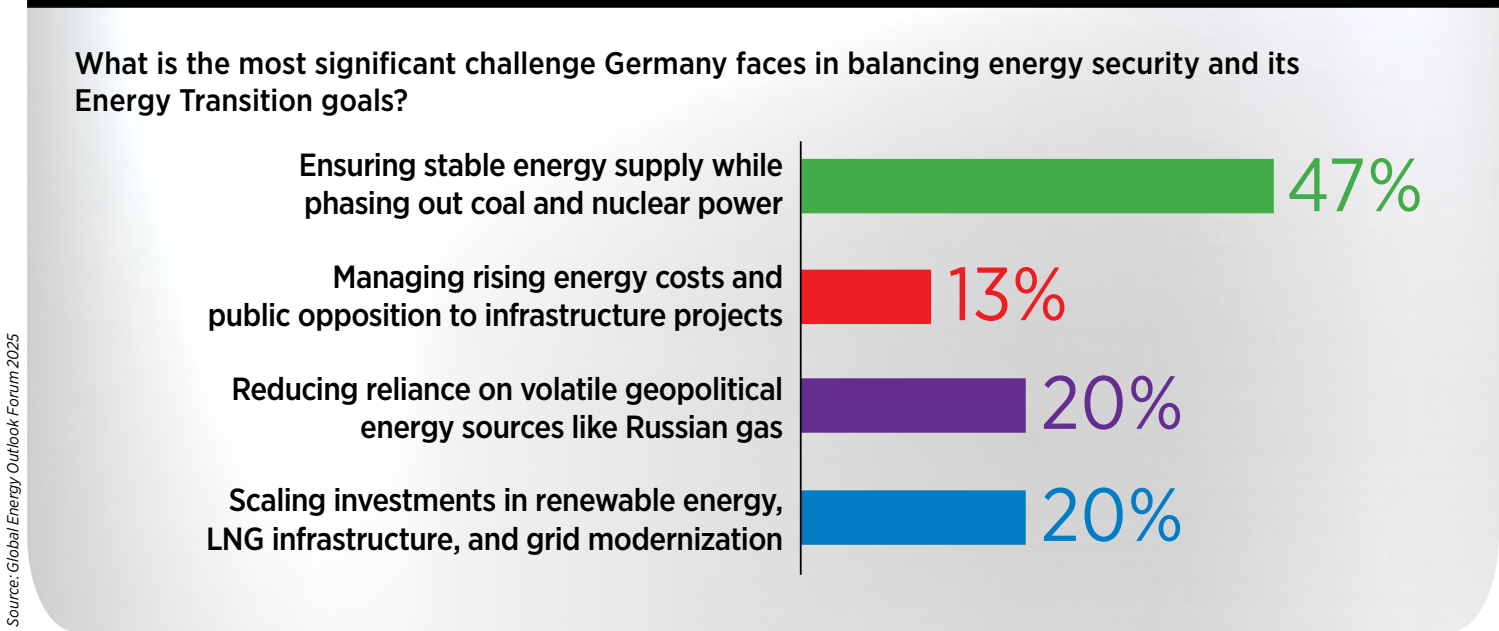


Kristina Haverkamp
Managing Director, German Energy Agency

Germany remains resolute in its ambitious decarbonization goals despite the upheaval caused by Russia’s invasion of Ukraine and global energy market volatility. While some nations and energy companies retreat from climate

commitments, Germany is accelerating its transition, proving that sustainability and energy security can coexist. The shutdown of Russia’s Nord Stream 1 pipeline forced Germany to overhaul its energy strategy. Short-term

measures included energy conservation regulations, while long-term efforts focused on expanding renewables. Wind and solar now account for over 56% of Germany’s electricity mix, up from 46% in 2022. This rapid shift not only reduces



dependence on foreign energy but also aligns with Germany’s goal of achieving carbon neutrality by 2045. A defining aspect of Germany’s approach is the complete phase-out of nuclear power, finalized in April 2023. Despite criticism that nuclear is a carbon-free energy source, the German government cites unresolved waste storage issues as a key reason for ruling it out. Similarly, coal-fired power plants are being phased out, with gas-fired plants serving as a temporary bridge to a hydrogen-based future. To address energy security, Germany has diversified its gas supplies through new LNG infrastructure, sourcing from Norway, the Netherlands, the U.S., Qatar, and the UAE. In parallel, it is reducing reliance on gas entirely by promoting electrification in heating systems, such as with heat pumps.

“While challenges remain, Germany’s strategy stands as a testament to long-term thinking. Unlike nations stepping back from climate goals, Germany is doubling down on its commitment to sustainability.”

Critics argue that these measures strain energy security, especially during cold winters. Yet Germany has remained firm, even ruling out reopening Nord Stream pipelines, citing Russia’s unreliability as an energy partner. Instead, Germany relies on a European electricity market that includes imports from nuclear-powered France, emphasizing cooperation over isolation. While challenges remain, Germany’s strategy stands as a testament to long-term thinking. Unlike nations stepping

back from climate goals, Germany is doubling down on its commitment to sustainability. This resilience reflects a national consensus that carbon neutrality by 2045 is non-negotiable. Germany’s approach is a bold blueprint for how nations can prioritize decarbonization without sacrificing energy security. As the global energy landscape evolves, Germany serves as a critical test case for balancing sustainability with economic and geopolitical realities. ■

What will Dominate Oil Markets in 2025 – Geopolitics, Demand, or OPEC+ Policy?

Despite an array of geopolitical events last year, oil markets adapted surprisingly well, with no drastic impact on supply. Instead, the market fixated on demand, particularly weak growth in China, with estimates repeatedly revised downward in the latter part of the year. I expect geopolitics to take center stage again this year, particularly in Europe, the Middle East, and US-China relations. If tensions escalate, particularly involving Iran, we could face significant supply challenges. A conflict in the Strait of Hormuz, where much of OPEC's spare capacity sits, would be particularly disruptive. China is already under pressure to avoid importing Iranian crude. The Shandong port has issued warnings against using sanctioned vessels for such imports. Questions also remain about ship-to-ship transfers near Malaysia, Oman, and the UAE. Just the prospect of President Trump's policies is prompting countries and companies to reevaluate their actions.

This unpredictable environment will continue to make it difficult to forecast what the market will look like even six months out. As an example, no one was talking about



Alex Schindelar
President, Energy Intelligence

“If China's role as the engine of global growth diminishes, attention will shift to other regions. India, Africa, and Latin America are potential growth centers.”

China's demand weakness at the start of 2024, and yet it dominated discussions by the second half of the year. As a result, OPEC will likely remain cautious and prudent, fully aware that reintroducing excess oil into a market that doesn't need it, would pressure prices. As for non-OPEC supply, there's been a lot of focus on how much will materialize. Last year, many overestimated non-OPEC growth, with Brazil, for instance, underperforming. We see non-OPEC growth at around 1.2 million b/d this year, reflecting delays and other uncertainties.

In parallel, we're also witnessing a shift toward a multipolar

world, where no single hegemon dominates global affairs. Countries are prioritizing their own interests and pushing back against external pressures. If China's role as the engine of global growth diminishes, attention will shift to other regions. India, Africa, and Latin America are potential growth centers. India and Africa are currently at 5 million b/d oil demand, and Latin America is similar. If their growth trajectories mirror China's rise to 17-18 million barrels, the world could see a new dynamic in energy demand. If, however, they plateau at today's levels, global peak demand could arrive sooner. ■

GLOBAL MACRO OUTLOOK

“There's a real risk of potential recession in the US, a deflationary spiral in China, and the looming threat of a trade war with its accompanying sanctions. Considering the roles of China and the US as the two heavyweights—and possibly the biggest risk factors - it is still unclear how these dynamics will play out in 2025.”

**Paul Hickin, Editor-in-Chief,
Petroleum Economist**

Making Predictions for Oil Demand in 2025 Will Be Trickier Than Ever

We're operating in a low-visibility environment due to various tensions – geopolitical, economic, and structural. In Europe, political vacuums in France, Germany, and the UK, along with policy missteps, make a dynamic growth scenario unlikely. In China, the economy remains weak, partly due to the piecemeal approach to stimulus, which undermines business and consumer confidence. Crucially, the shift to LNG-powered trucks is reducing diesel demand, adding complexity to the outlook for hydrocarbons. In the US, while Trump and his administration aim to increase oil and gas output, commercial viability remains key for producers. Demand growth hinges on whether economic policies create the right environment.

Trump Trade Policy Looms Ongoing trade uncertainties, including tariffs, contribute to an unpredictable backdrop. If the US imposes broad tariffs on China, the EU, or other regions, surplus production could be redirected and dumped into other markets, with Europe being particularly vulnerable. Another



Marc Ostwald
Chief Economist & Global Strategist,
ADM Investor Services International

significant factor is how quickly US immigration restrictions will be implemented, as this has been a key driver of US productivity and growth in recent years. The fate of the Inflation Reduction Act is another wildcard. While parts of it may remain intact due to bipartisan benefits, Trump's approach to China will add complexity. Agility and strengthening customer relationships in growing markets like Africa and India will be critical for oil producers.

Europe's Energy Transition Renewable energy, such as wind power, faces infrastructure challenges – distribution networks and grids aren't equipped to handle increased demand. These stop-start dynamics complicate both the energy transition and hydrocarbon usage. Meanwhile, EV adoption has been underwhelming, largely due to affordability. Automakers in Germany and France, for example, aren't producing EVs that appeal to the average consumer. ■



Maleeha Bengali
Founder, MB Commodity Corner

China's macroeconomic imbalances – currency depreciation, falling bond yields, and property sector issues – are concerning. The next few months, especially in a new era of Trump, will be critical in shaping global oil demand. Many believe the US might be facing recession in 2025, with challenges like rising bond yields and debt. Much will depend on fiscal and monetary policies, inflation trends, and dollar direction.

The US Fed faces a two-tier problem. We initially thought the

rate hikes of 2022 and 2023 would significantly slow the economy, but it didn't, largely due to the continued liquidity injections. However, the Fed now needs to lower rates as interest expenses have ballooned to \$1 trillion, and both banks and consumers require relief through lower mortgage rates to boost the economy. At the same time, they can't cut rates too quickly because core inflation remains around 3–3.3%. So, stagflation remains a concern and that has been uncharted territory

in the US for decades. Productivity needs to grow at a pace that is sufficient to offset its debt, which is a tough ask. The “higher for longer” interest rate environment is straining markets – bond yields are climbing, and small- and mid-cap stocks are underperforming. Ultimately, the only realistic solution seems to be more fiat currency debasement, which brings us to a critical question for investors on asset allocation. Equities and bonds, traditionally safe havens, may not deliver the same returns as before. Large-cap stocks may hold up, but overall, equity markets might see flat or volatile performance for an extended period. The macroeconomic environment is filled with landmines and that does not bode well for oil demand. ■

The Energy Transition Is Progressing Regardless of Political or Economic Headwinds

In Europe, there's a lot of talk about the transition being expensive, with some suggesting it should take a backseat, but ultimately, the shift is being driven because of costs. If you look at renewables today – even in Europe – there's every reason to adopt them. EVs are increasingly affordable, and investments in solar, wind, and geothermal power are accelerating. The latter especially is poised for significant growth this year due to technological breakthroughs, many of which have roots in the oil industry. This represents an opportunity for the oil sector to diversify into renewable energy. Additionally, from an energy security perspective, the Russian aggression in Ukraine highlighted the risks of relying on fossil fuels. Germany's dependency on foreign commodities for its industrial base is a case in point. The situation underscored the need for diversification and self-sufficiency. Similarly, China's transition policies reflect strategic concerns. While slowing economic growth played



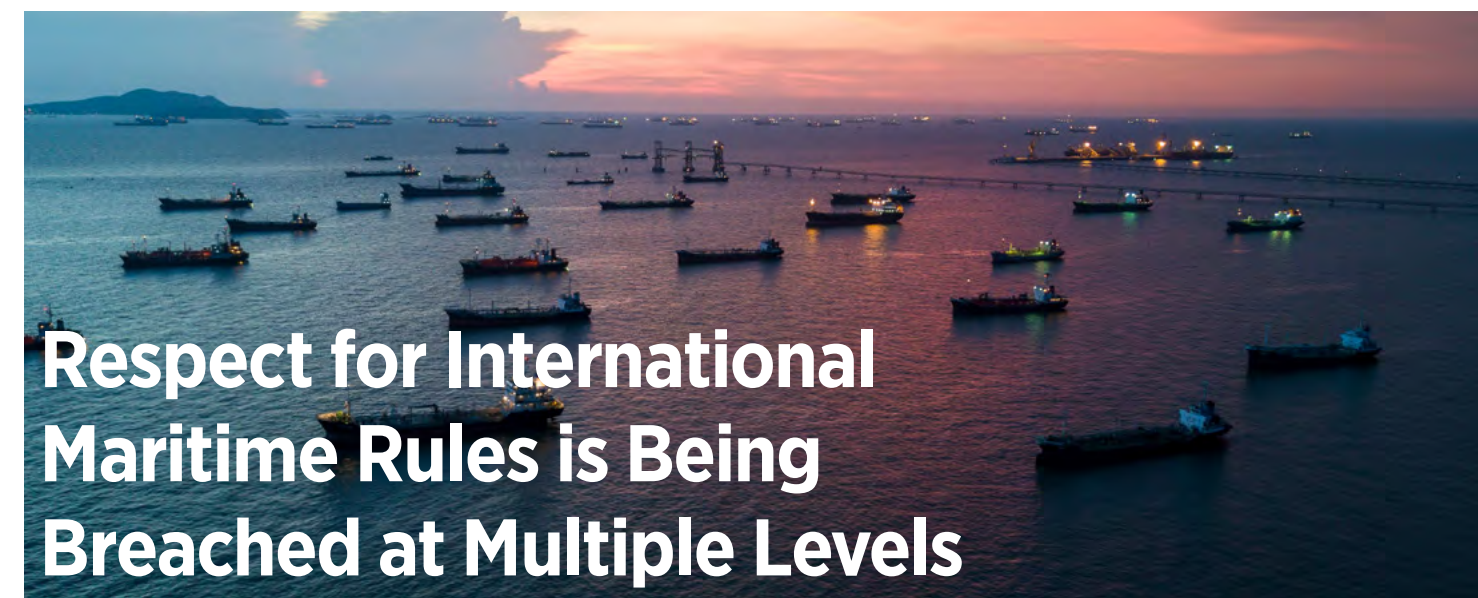
Adi Imsirovic
Director, Surrey Clean Energy
& Senior Associate, CSIS

Companies with shale investments or longer-term, low-cost production assets like those in Guyana are better positioned to thrive.”

a role, China's push for renewables stems largely from the geopolitical risks of relying on imported oil. If a conflict arose around Taiwan, for example, the Chinese economy could be severely disrupted within days by cutting off oil supplies through the Strait of Malacca. Fully aware of these vulnerabilities, China is making significant strides in renewable energy adoption – and they're doing it effectively.

Oil Industry Remains a Critical Player

The prospect of peaking oil demand and medium-term price declines are prompting the industry to be laser-focused on keeping costs low. We're seeing significant consolidation, especially in the US, and I anticipate similar activity in Europe over the next few years. BP, for example, is positioning itself defensively, ensuring it is big and strong enough to weather any challenges. Total, for instance, has committed to investing only in projects where costs are below \$35 per barrel. Resilience is the key. Companies with shale investments or longer-term, low-cost production assets like those in Guyana are better positioned to thrive. Consolidation and defensive strategies will dominate, but the oil industry isn't going anywhere. ■



Michelle Wiese Bockmann
Principal Analyst, Lloyd's List Intelligence

Governments are increasing pressure on maritime service providers and countries supporting sanctioned fleets. Last December, we had 90 ships sanctioned by the EU, the UK, or the US, including 70 tankers and gas carriers, most of those related to Russian trading. But it's impossible to forecast what lies ahead for sanctioned oil flows in the next 12 months. The UK has stepped up its efforts, targeting tankers and pressuring countries like Panama, Barbados, and Gabon

– key providers of flagging services – to refuse service to sanctioned vessels. In response, many of these tankers have turned to fraudulent or unregulated registries. Currently, 15% of the Dark Fleet is operating under fraudulent or false flags, either claiming their prior flag or using an unknown one. This has pushed the darkest elements of the fleet to the fringes of maritime transportation. About 33% of the Dark Fleet is now subject to sanctions, and if you include Iranian and Russian-affiliated

vessels, that number jumps to 42% of all oil-transporting ships.

China remains the destination for much of this crude – approximately 20% of its seaborne imports come from Russia, Venezuela, or Iran. If China's ports or banks come under pressure not to service sanctioned vessels, global oil flows may need to recalibrate. We've essentially got two parallel systems: normal trade and sanctioned oil trade. Sanctioned vessels spoof their locations. They'll claim not to have called at Iran but then travel directly to China. These ships remain under the jurisdiction of the flag state, port state, and destination port state. The key in 2025 will be pressure at the destination port state to enforce sanctions effectively. ■



The Shipping Sector Will Continue to Demonstrate Incredible Flexibility

When disruptions occurred due to the Red Sea situation last year, we saw innovative use of supertankers and vessels to meet European market needs, such as transporting clean oil products on previously dirty vessels. This adaptability took a lot of heat out of the market, helping mitigate volatility. Prices will probably follow a similar pattern to last year. Today's market is also aware of the 8 billion barrels of stock coverage in the supply chain, which can buffer disruptions for a considerable period. For oil prices to rise meaningfully, we'd need a major supply shortage or a significant demand spike, neither of which seems likely. The market's adaptability and ample fleet capacity mean that significant disruptions remain unlikely, even under the current geopolitical pressures.



David Wech
Chief Economist, Vortexa

Sanctions Evasion Continues

There are still ways around sanctions. For instance, Iranian oil often moves on sanctioned tankers to China, where it's transferred to unsanctioned vessels for final delivery. Although most Chinese oil imports last year arrived on unsanctioned tankers, that doesn't mean sanctioned tankers weren't involved in the supply chain. Sanctions policy has always been a function of the oil price. With the price being relatively low in the past few months, it has given

administrations in the US and Europe the opportunity to increase pressure on Russia and Iran. If prices start to rise, you can safely bet that the level of sanctioning will decrease. Ultimately, almost everyone agrees that oil needs to flow in sufficient quantities to stabilize markets, which is why we won't see significant tightness in vessel availability next year. The real geopolitical risk in 2025 is tariffs – those could drastically change oil flows, particularly if there are US import tariffs on Canadian and Mexican goods. ■

GREY FLEET

“Sanctioned ships are starting to come under serious pressure. So far, they have enabled the redirection of Russian, Iranian and Venezuelan volumes. The assumption has been that the US hasn't been too serious about enforcing sanctions and has prioritized keeping oil prices low. But the recent announcement by China's Shandong Ports Group of a new policy restricting access to vessels on the US sanctions list is incredibly significant. Shandong handles a lot of the Iranian and Russian flows into teapot refineries in China. If other Chinese ports or Indian buyers follow suit—and Indian buyers are already showing more caution—the ability to sustain these flows could be severely disrupted.”

Richard Bronze, Head of Geopolitics, Energy Aspects

Europe's Energy Security Remains Fragile

It has become deeply intertwined with global market dynamics. While the continent has reduced its dependence on Russian gas, it now faces new vulnerabilities linked to external energy suppliers and global economic trends.

One of Europe's critical short-term advantages has been China's economic slowdown. With reduced energy demand from Asia, Europe has successfully attracted LNG cargoes, stabilizing its supply and keeping prices competitive. However, this reliance underscores a persistent vulnerability and dependency on external suppliers, with the US now playing a pivotal role in filling the void left by Russia. The growing reliance on American LNG is not without its risks. Although US energy companies are largely driven by market forces rather than political directives, a future shift



Ole Hansen
Head, Commodity Strategy,
Saxo Bank

in US political priorities could again disrupt these energy flows, leaving Europe exposed.

Globally, rising power demand adds another layer of complexity. Rapid electrification, driven by EVs and broader industrial needs, is intensifying energy competition. The US has seen its projected power demand surge by 30-40% within a year. This growing demand could strain global LNG supplies, potentially driving up prices and reshaping trade flows.

Europe's broader challenge remains its lack of self-sufficiency.

While renewable energy investments continue, the continent still falls short of meeting its energy needs domestically. Europe's structural dependency on imported energy requires strategic, long-term planning to diversify and secure its energy portfolio sustainably. The global interplay of economic growth, energy demand, and political shifts will remain pivotal. To truly secure its energy future, Europe must accelerate its renewable energy investments while fostering deeper regional collaboration to minimize external dependencies. ■

EUROPE GAS

“The challenge for Europe and its manufacturing sector is that gas prices remain significantly higher than domestic US gas prices. Companies evaluating investments will weigh Europe’s higher energy costs and regulatory burdens against North America’s cheaper energy and more favorable regulatory environment. So, while efforts to reduce reliance on Russian gas are commendable, the region must address its pricing and regulatory landscape if it wants to remain competitive in attracting industrial investment.”

**Arne Lohmann Rasmussen, Chief Analyst & Head of Research,
Global Risk Management**

India Poised as Main Source of Short-term Incremental Oil Demand Growth



Paul Horsnell
Head of Commodities Research,
Standard Chartered Bank

We project China's growth at 4.3% in 2025 and 4.1% next year. The Eurozone will improve slightly from 0.8% this year to 1.2% in 2026, and US GDP growth could rise from 1.8% GDP growth this year to 2.1%, depending on inflationary policies. Oil demand growth is steady but unremarkable—about 1.3 million b/d this year, and 1.23 million b/d in 2026. India will be the main source of incremental oil demand growth for the next two years, contributing about 300,000 b/d annually, with its GDP at about 6.5% per year, while China's mature market shows slower demand growth at around 2%. The US is seen contributing about 170,000 b/d oil demand growth. We should also note that non-OECD oil demand growth since 2005, has increased by 24 million b/d and China has accounted for only about

10 million b/d of this. We actually see the main story this year being on the supply side and how non-OPEC growth disappoints yet again.

Drivers of Future Oil Demand

Looking towards the end of the decade, petrochemicals are poised to take a larger share of demand growth, particularly in markets like China. Jet fuel and petrochemicals will likely drive incremental growth, while transport fuels may see slower growth. However, this doesn't mean transport demand is declining - just that its share of growth is diminishing. In developed markets, EV adoption has been slower than expected. In China, adoption rates are accelerating but are nearing saturation. While some suggest we are nearing peak oil demand, we anticipate a plateau that extends into the next decade. ■



TOP 10 OUTLOOK FOR EUROPEAN ENERGY MARKETS IN 2025

1. Accelerated Renewable Energy Adoption

Europe's renewable energy mix is projected to exceed 56% in 2025, with Germany leading efforts. Wind and solar power play dominant roles, with green hydrogen scaling up as a key element in achieving carbon neutrality.

2. LNG Infrastructure Growth

Europe has 38 operational LNG terminals, with a combined capacity of 311 BCM annually. Germany, Greece, and Italy have added new terminals to strengthen energy resilience, including floating LNG units and long-term investments in storage.

3. Gas Demand Transition

Despite phasing out Russian pipeline gas, Europe relies heavily on diversified LNG imports from the U.S., Qatar, and Algeria. This dependency is expected to stabilize as infrastructure upgrades align with energy transition goals.

4. Energy Security and Climate Goals Balance

Europe faces a dual challenge: maintaining energy security while reducing coal and nuclear dependency. Germany plans to replace coal with gas-fired power plants by 2030, with a pathway to convert them to green hydrogen.

5. Russian Energy Isolation

Russian oil and gas exports to Europe remain restricted. Even if geopolitical conditions normalize, reliance on Russian energy is unlikely to return in the medium term. Europe's strategic diversification includes pipelines from Norway and expanded LNG.

6. Economic Pressures on Energy Transition

Inflation and high interest rates are slowing renewable energy investments in Europe, particularly in sectors dependent on internal rates of return, such as offshore wind.

7. Geopolitical Energy Challenges

Europe navigates geopolitical risks tied to U.S. and Chinese policies. Reduced Chinese LNG demand has temporarily benefited Europe by lowering competition for global supply, but long-term impacts remain uncertain.

8. Hydrogen's Role in Energy Transformation

Europe is heavily investing in green hydrogen projects, integrating hydrogen into its energy mix as a solution for decarbonizing industrial processes and heating systems. The EU aims to lead global hydrogen technology development.

9. Oil Price Stability Outlook

European energy planners anticipate Brent crude prices to average between \$70–\$75 per barrel in 2025. This projection hinges on OPEC+ strategies and stable demand growth.

10. Energy Infrastructure Resilience

Europe's existing energy infrastructure is being upgraded for renewable integration. Projects like the North Sea wind grid and cross-border hydrogen corridors are vital for improving regional cooperation and energy flow stability.

Your Energy Gateway to the World



As the UAE's only emirate on the Arabian Sea coast, Fujairah is at the heart of the energy corridor linking Europe and Africa to Asia. Renowned as a world-class storage and bunkering hub alongside Rotterdam and Singapore, Fujairah is focused on driving innovation and championing sustainable energy solutions. With its robust infrastructure, exceptional services, and commitment to excellence, Fujairah has positioned itself as a leader in the global energy landscape.



REGULATORY AUTHORITY

Regulating every aspects of the Oil & Gas industry in Fujairah



ADMINISTRATIVE SERVICES

Excellence across all its administrative services to stakeholders



INFRASTRUCTURE DEVELOPMENT

Wide range of infrastructure options for every requirement



SPECIALIZED EMERGENCY SERVICES

Advanced integrated emergency services ensures business continuity and peace of mind



INVESTMENT IN ENERGY & INNOVATION

Ideal for secure, long-term investments in energy infrastructure and innovation

AMERICAS



Why Trump's Energy Goals Are Set to Falter in 2025



Anas Alhajji
Managing Partner, Energy Outlook Advisors

As Donald Trump steps back into the global spotlight with his characteristic “drill, baby, drill” mantra, the realities of 2025 present him with a vastly different playing field compared to his first term in office. Trump’s ambitions to significantly increase U.S. oil production and enforce stringent sanctions on Iran face formidable challenges shaped by a transformed geopolitical and economic landscape.

During Trump’s initial tenure, the U.S. shale industry flourished. The sector was buoyed by a combination of favorable financial conditions and a fragmented market of small, family-owned companies eager to drill, expand reserves, and eventually sell to larger players. Interest rates hovered near zero, enabling a flood of cheap capital that drove rapid production growth. From 2016 to 2019, U.S. production increased by an impressive three million b/d, a feat often cited by Trump’s supporters as evidence of his energy prowess.

However, 2025 presents a different reality. Interest rates are now three times higher than they were in 2017, significantly increasing the cost of borrowing for oil companies. This tightening of financial conditions has rendered the once-expansive growth model unsustainable. Moreover, the industry has undergone significant consolidation. Many smaller players have been absorbed by oil majors such as ExxonMobil and Chevron, whose strategic priorities differ markedly from the aggressive growth strategies of their predecessors.

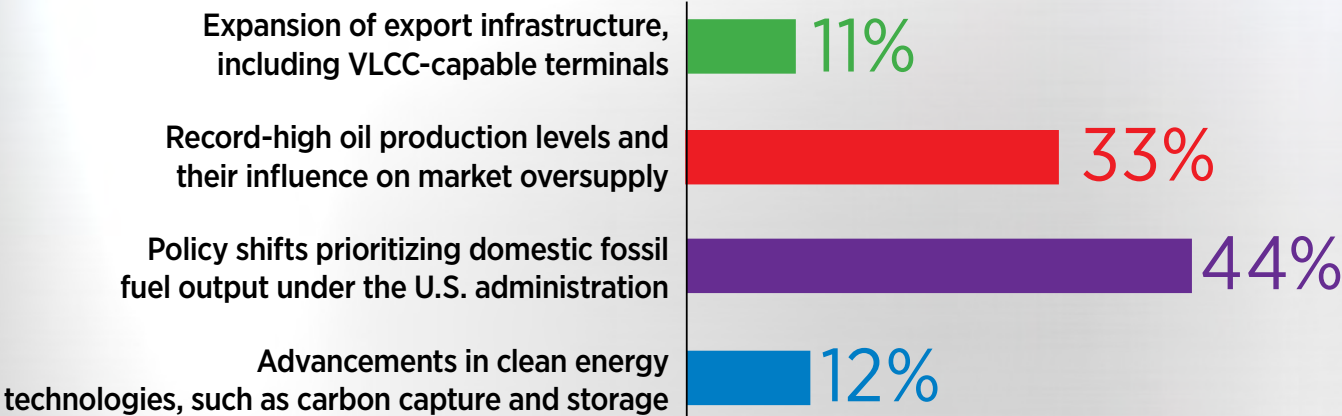
Today, the focus is on profitability and maintaining production levels, not expansion. High decline rates, a defining characteristic of shale production, exacerbate this challenge. To keep production steady at the current level of 9 million barrels per day, the industry must offset annual declines by adding approximately 4 million barrels per day. Most of the capital investment in

shale now goes toward maintaining existing output rather than achieving new growth. This makes Trump’s goal of replicating the production surge of his first term—a further 3 million b/d—virtually impossible.

Another obstacle to Trump’s energy ambitions lies in the behavior of oil majors, which now dominate the shale landscape. These companies prioritize long-term strategic control over short-term production gains. For instance, ExxonMobil’s plans to triple production in the Permian Basin by 2030 stem largely from its acquisition of Pioneer Natural Resources, rather than an organic expansion strategy. This underscores the industry’s shift away from the growth-at-all-costs model that defined Trump’s first term.

Moreover, the industry’s labor force has shrunk significantly since 2015, with fewer workers and less operational capacity to scale up production. Even if Trump could influence these companies,

What will be the greatest development in the U.S. oil industry in 2025 to impact global oil prices?



Source: Global Energy Outlook Forum 2025

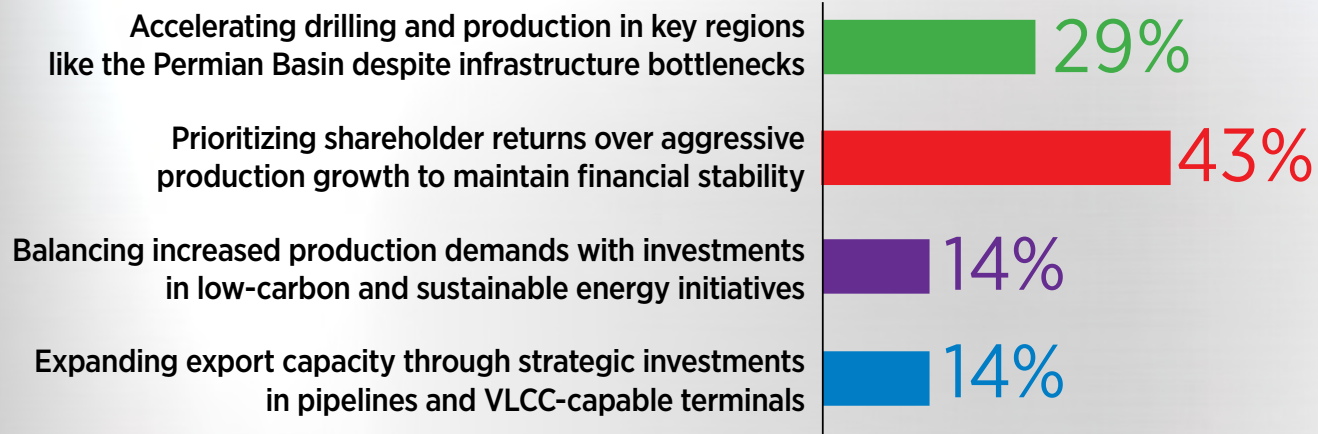
their focus on shareholder returns and financial discipline means they are unlikely to act in a manner that jeopardizes profitability.

On the international stage, Trump's ability to wield sanctions as an effective geopolitical tool is also in question. His administration's sanctions on Iran during 2018–2019 had a significant impact, reducing Iranian oil production by about one million b/d and exports by as much as two million b/d. At the time, Iran exported oil to over 20 countries, and the financial

“Trump’s ability today to wield effective sanctions on Iran has changed. Iran has developed robust mechanisms to circumvent sanctions, including independent payment systems established in partnership with China. These systems bypass US and European oversight, allowing Iran to continue exporting oil to China, which has become its primary buyer.”



How is the U.S. energy industry most likely to respond to Trump drill-baby-drill strategy for expanded oil production in 2025?



Source: Global Energy Outlook Forum 2025

sanctions imposed by the U.S. effectively disrupted payment systems, forcing Iran to slash production and exports.

In 2025, however, the situation has changed. Iran has developed robust mechanisms to circumvent sanctions, including independent payment systems established in partnership with China. These systems bypass U.S. and European oversight, allowing Iran to continue exporting oil to China, which has become its primary buyer. While this shift has created logistical and quality challenges for Chinese refiners, the overall resilience of Iranian exports has improved.

China's role in supporting Iran cannot be overstated. Independent refiners, or “teapots,” have no ties to Western financial systems and are well-positioned to continue purchasing Iranian oil despite U.S. sanctions. This dynamic, limits Trump's leverage and highlights the diminishing effectiveness of sanctions as a tool for curbing Iranian exports.

Trump's broader energy policies, including potential tariffs and regulatory changes, could have inflationary effects on the global economy. If fully implemented, these measures would likely lead to higher costs across supply chains, potentially triggering a recession and reducing global oil demand. Such outcomes would be bearish for oil prices, undermining any potential gains from increased U.S. production or reduced Iranian exports.

Meanwhile, the global oil market remains influenced by the actions of OPEC+. The group's success in 2024—achieving market stability, low volatility, and preventing price collapses—demonstrates its ability to adapt to shifting dynamics. OPEC+ members such as Kazakhstan and Iraq have shown improved compliance with production cuts, ensuring continued cooperation.

For 2025, Brent crude prices are expected to remain range-bound between \$70 and \$80 per barrel. This stability is

supported by a balance between OPEC+ production cuts and the limited ability of non-OPEC+ producers, including the U.S., Brazil, and Guyana, to significantly increase supply.

Trump's return to the presidency comes at a time when the energy landscape has fundamentally changed. The U.S. shale industry no longer operates under the growth-friendly conditions of the late 2010s. Consolidation, higher financial costs, and a focus on profitability have reshaped the sector. Simultaneously, Iran's ability to circumvent sanctions and China's willingness to support its oil exports weaken Trump's leverage on the international stage.

While Trump's rhetoric may resonate with his supporters, the practicalities of the energy market in 2025 make his goals far more difficult to achieve. The world has moved on, and the circumstances that enabled his past successes no longer exist. ■

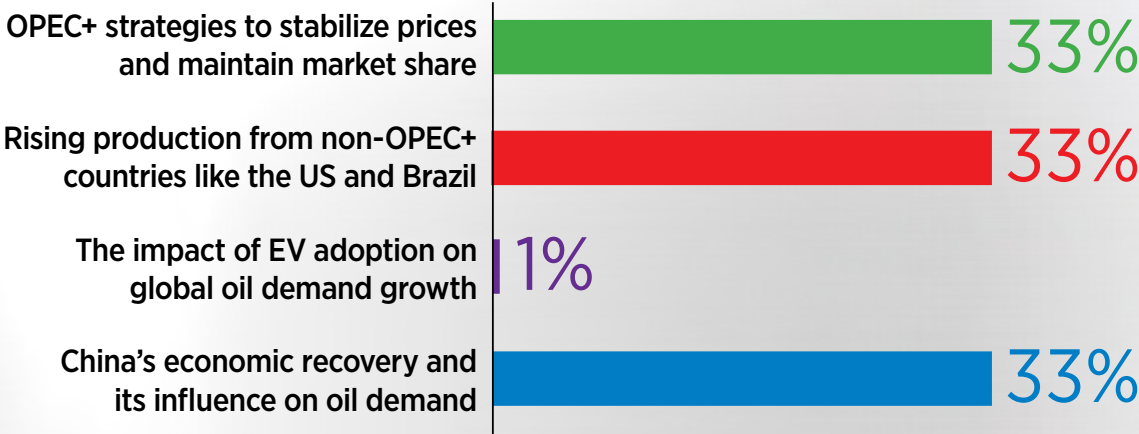
LNG at a Crossroads: Navigating Growth, Volatility, and Geopolitical Risks?



Martin Houston
Former Executive Chairman of Tellurian



What will be the key factor shaping global energy supply dynamics in 2025?



Source: Global Energy Outlook Forum 2025

As someone who has spent decades in the energy industry, I remain steadfastly optimistic about the future of liquefied natural gas (LNG). The growth potential is undeniable—global gas demand is projected to rise by 75% by 2050, with LNG demand reaching 1,200 million tons per annum. Asia, particularly Southeast Asia, will drive much of this growth, underscoring the critical role LNG plays in meeting the world's energy needs. But this optimism is not without caveats. The stakes are high, and the challenges ahead are complex.

One of the key risks lies in the volatility that continues to define energy markets. While we've experienced relatively mild winters recently, providing a false sense of stability, we know this can change in an instant. A severe global cold spell or a geopolitical disruption, such as

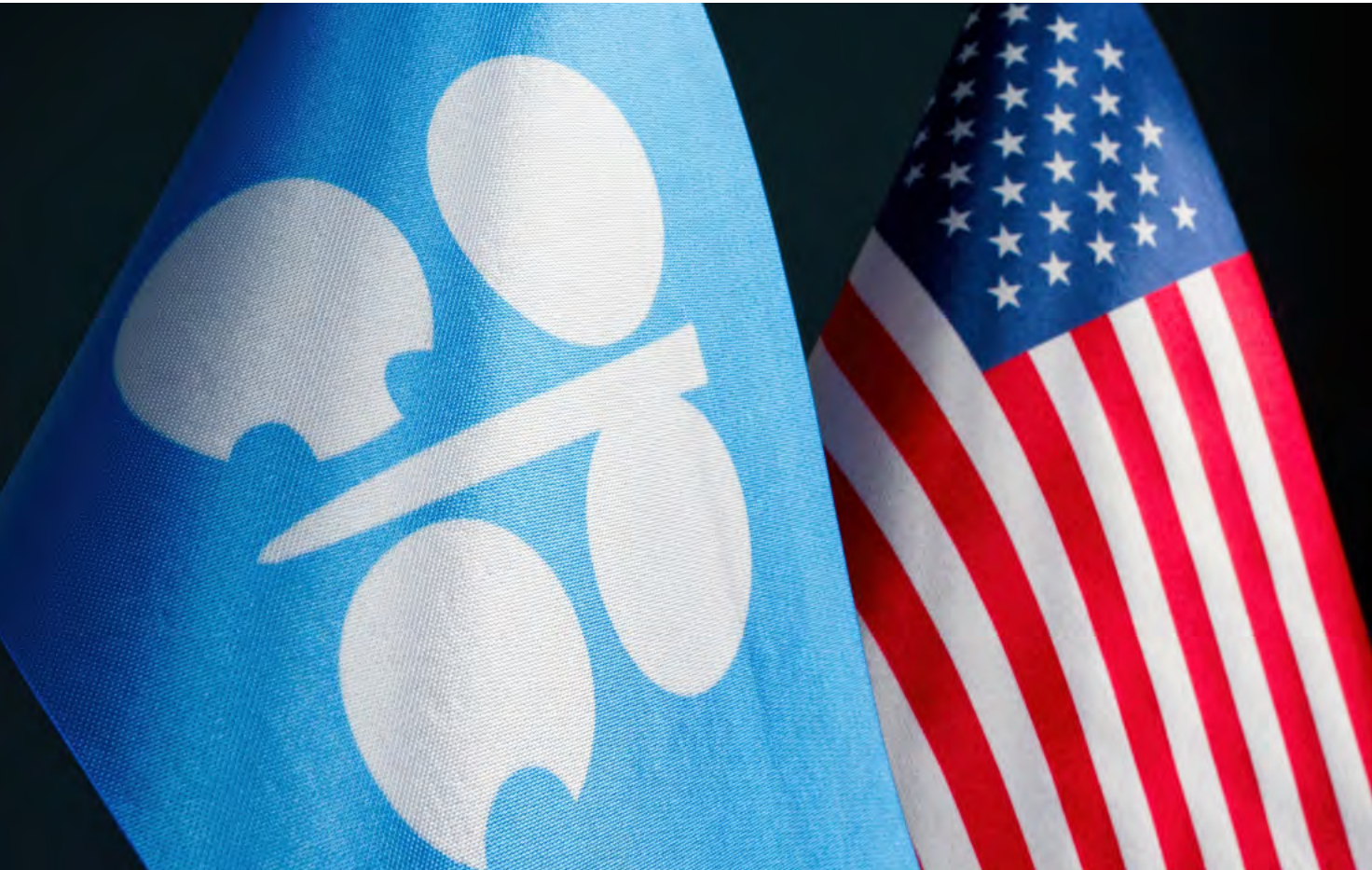
the Russia-Ukraine conflict, could send shockwaves through the market. Price spikes, driven by such events, could deter demand in price-sensitive regions like India and Bangladesh, undermining LNG's growth trajectory.

Geopolitics is another crucial factor. While the U.S. and Qatar are poised to lead as dominant LNG suppliers, they face distinct challenges. Qatar's location near the Strait of Hormuz makes its supply vulnerable to geopolitical tensions, while the U.S. must address infrastructure bottlenecks to keep pace with export demand. These issues are not just about supply security—they also influence global pricing dynamics, affecting the affordability of LNG in critical markets.

From a policy perspective, we need a pragmatic approach that recognizes

LNG's role in the Energy Transition. Natural gas is not just a bridge fuel; it is a cornerstone for balancing the rapid expansion of renewables. Governments must acknowledge this dual role and work with industry leaders to create policies that ensure fair treatment of hydrocarbons while promoting sustainability.

What's at stake is more than market share or profit margins—it's the energy security of billions of people. The choices we make today will shape the global energy landscape for decades. I believe LNG can—and must—play a pivotal role in meeting the world's energy demands, but only if we navigate these challenges with foresight and resilience. The future of LNG is bright, but it requires bold, collaborative action to fully realize its potential. ■



President Trump’s Stated Energy Policy is Inherently Contradictory and Highly Impactful



Dr. Edward L. Morse
Senior Advisor and Commodities Strategist,
Hartree Partners

He has said he wants to reduce American energy costs by 50% and raise tariffs globally. He’s also vowed to bring Iran to its knees, targeting a reduction in Iranian oil exports by 500,000 b/d by the end of the second quarter. His team has indicated that this could escalate to a drop of 1 million b/d by the beginning of Q4 if no agreements are reached on various matters. Add to this the complexities of Russia-Ukraine dynamics, border issues with Canada and Mexico, and proposed tariff increases, and it becomes difficult to envision how such goals coexist. Fighting Iran while aiming to reduce costs for American citizens creates a volatile environment for the year ahead.

The Future of OPEC
The group faces increasing difficulties in maintaining cohesion due to differences in fiscal breakeven prices and economic priorities. The UAE, for example, has diversified its economy remarkably well.

“Global oil demand growth is slowing significantly and has likely peaked in China. While natural gas may still grow in China, oil intensity relative to GDP has sharply declined.”

Other countries, like Saudi Arabia, face higher fiscal breakeven prices, potentially well above \$100. Historically, Saudi Arabia has used price manipulation to discipline overproducing members or competitors like Russia and the US. However, this approach often backfires, as seen with the shale revolution in the US and Russia’s ability to adapt to a fluctuating ruble. Adding to this complexity, OPEC’s share of global production has not kept pace with overall market growth. In 1980, OPEC’s 24 million b/d accounted for a significant portion of the global 60 million b/d market. Today, OPEC’s output remains the

same, but the global market exceeds 105 million b/d. Their leverage is diminishing. Global oil demand growth is slowing significantly and has likely peaked in China. While natural gas may still grow in China, oil intensity relative to GDP has sharply declined. This mirrors trends in the US, Europe, and Japan, where peak demand was reached years ago. For every 1% increase in GDP, global oil demand now rises by just 0.3%, and this ratio continues to decline due to the Energy Transition. For OPEC+ and other producers, this structural shift presents another formidable challenge. ■

What will be the most significant geopolitical impact of America’s energy independence push in 2025?



Source: Global Energy Outlook Forum 2025

Sanctions Against Russia and Iran Could Pressure Countries like China and India to Rethink Their Fuel Sourcing Strategies

This could affect prices, trade routes, and logistics. Recent years have seen natural gas trade move increasingly to maritime shipping rather than pipelines, and oil often travels longer distances to reach refineries before being delivered to end users. Another potential development involves tariffs; Trump has discussed imposing these even on key trading partners like Canada, which is one of the few nations exporting energy to the US. The real question is how Trump's policies on increasing domestic production will play out. US producers, like their global counterparts, are driven by price considerations so in the

“The strength of the Saudi-US relationship will also depend on Trump’s approach to Iran, as well as other Middle Eastern issues.”



Rachel Ziemba
Adjunct Fellow, Center for a New American Security, Senior Advisor, Horizon Engage

short term, I expect less production and higher prices than Trump might hope. Another trend to watch is the growing pressure on consumers to secure long-term contracts. We’re also seeing new intermediaries and shipping companies entering the market to handle Russian fuel.

US Relations with China & Middle East

I expect Trump to maintain a strong relationship with Saudi Arabia, but for example, his potential shift away from renewables might cause unease in Saudi and the UAE, where there’s growing interest in balancing conventional and renewable energy investments. The strength of the Saudi-US relationship will also depend on Trump’s approach to Iran, as well as other Middle Eastern issues. On China, one interesting

dynamic to watch is its evolving role as a re-seller, of natural gas. China is already the largest contracted buyer of US LNG and is poised to grow in that role. This creates opportunities for it to act as an intermediary, reselling to other markets like Europe, especially with its independent refineries that process oil from Russia, Iran, and Venezuela. In contrast, US energy producers operate within a private, market-driven system. While the government can facilitate and de-risk investments, production ultimately depends on market conditions and price incentives. This contrasts with state-driven approaches in countries like Saudi Arabia and China, potentially creating friction in navigating these geopolitical and market dynamics.



MENA TERMINALS FUJAIRAH FZC



MTF Storage Terminal

Profile

MENA Terminals Fujairah is an independently owned and operated storage terminal located within the Fujairah Oil Industry Zone at the Port of Fujairah. Established in 2012, the terminal has been effectively catering to the storage requirements of major trading houses, multinational corporations, and medium-sized traders.

The terminal comprised of 14 tanks with a total capacity of 352,000 cbm, is capable of handling Class I, Class II, and Class III products ranging from light distillates like Gasoline all the way up to Middle and Heavy distillates like Gas Oils and Fuel Oils, respectively.

Equipped with the state-of-the-art technologies, the terminal can accomplish operations such as vessels and bunker barges loading and discharge, pipeline transfers with other terminals, inter-tank transfers, additive blending, cargo heating, circulation, and truck loading services.

MENA Terminals Fujairah is part of the Mercantile & Maritime Group, which specializes in oil and gas marketing & trading, shipping, logistics and consultancy services. The group offers a comprehensive range of services across the oil and gas value chain.

MENA Terminals Fujairah has a sizable landbank with the potential to add more than 1 million cbm of new storage capacity to its existing infrastructure. Anticipated developments within the Port of Fujairah and region are expected to create substantial storage demand going forward.

Terminal Highlights

- State-of-the-Art engineered Class-I Oil Storage Terminal.
- Strategically located at Port of Fujairah (PoF) - One of the largest bunkering ports in the world.
- Current operational capacity of 352,200 m³ with 14 tanks (Phase 1 & 2) with truck loading facility.
 - 230,246 m³ - Black Products (6 tanks).
 - 121,954 m³ - Clean Products (8 tanks).
- Connectivity with all berths of Port facilitating Vessel operations and Inter-terminal trade.
- Consistently best performing terminal in shipping operations against Port KPIs.
- Zero claim on contamination, product loss or vessel delays
- Zero Operational downtime given to effective Preventive maintenance.
- Efficient control on product loss.
- Pre-qualified by Oil Majors for storage.
- Dedicated team of well experienced and qualified oil industry professionals.

Operational Excellence

- Multipurpose Class-I switchable tanks with Internal Floating Roofs
- State-of-the-Art Terminal Automation System
- Best in class pumping capacity amongst FOIZ terminals with 4,500 and 3,000 m³/hr flowrates for black and clean products, respectively.
- Two jetty lines (30" each) for black products capable of 4,500 m³/hr flowrates per line
- Four jetty lines (24" each) for clean products capable of 3,000 m³/hr flowrates per line
- End-to-end piggable pipeline between the Port Jetties and the terminal
- Cone-bottom and fully strippable product tanks
- Efficient product blending and heating capability
- Dedicated matrix manifold for positive segregation of black and clean products
- All pumps equipped with Variable Frequency Drives for optimized flow rates.
- Redundant critical utilities & equipment in place to ensure business continuity.



Your trusted energy partner, sustainable value creator, and gas supplier of choice.

Sharjah National Oil Corporation (SNOC) is government-owned and the oil and gas industry executive arm of the Emirate, under the auspices of the Petroleum Council of Sharjah. Established in October 2010, SNOC owns and manages Sharjah concession oil and gas assets and is the main supplier of gas in Sharjah.

SNOC manages a diversified energy portfolio, covering natural gas, condensate and LPG. In addition to its exploration activities in collaboration with international petroleum entities, SNOC has initiated a strategic underground gas storage project to ensure a consistent and reliable energy supply. SNOC has declared its pledge of Net-Zero by 2032, and has several initiatives, including renewables, and CCS research.



EXPLORATION
& PRODUCTION



PROCESSING
& EXPORTING



STORAGE
& LOADING

YEAR AHEAD ENERGY OUTLOOK 2025

We're Witnessing a Systemic Transformation in Geopolitics and the Global Order



Dr. Raad Alkadiri
Non-Resident Fellow, Center for Strategic & International Studies

The US appears increasingly unilateral, using its power to serve its direct interests rather than supporting an international system. This shift will significantly impact energy, particularly in terms of trade patterns rather than trade volumes. It's not just about which countries are up or down in supply and demand but about the restructuring of energy systems and the costs associated with that transition. Over the next four years, under a Trump administration, we might see a rewiring of global energy flows. We've already seen this to some extent after Russia's invasion of Ukraine. However, this could evolve

into a more systemic and long-lasting transformation.

For China, the immediate question might revolve around Iran. If the US reimposes maximum pressure on Iran and finds ways to constrain its oil exports, China could lose access to as much as 800,000 to 1 million b/d, which it would need to source elsewhere. Removing that volume from the global market could also drive prices higher, out of the current \$70-\$75 range.

Gulf Producers Position for Trump 2.0

Gulf producers have a more nuanced understanding of US energy

production realities than Trump himself. They recognize the balance between price and production expansion in the US, and the commercial and logistical challenges of ramping up production to the levels Trump envisions. While Gulf states have traditionally welcomed Trump's transactional approach, Trump 1.0 also came with lessons. Key among them is the realization that the US will prioritize its own interests, treating Gulf nations as transactional partners rather than allies. This has led Gulf producers to diversify their markets, alliances, and investments. From an oil market perspective, they will aim to manage prices carefully, avoiding drops that could hurt their fiscal budgets, particularly in Saudi Arabia, where domestic programs depend on stable revenues. ■

My Outlook for Crude in 2025 Remains Bearish Unless we See a Supply Shock

China remains the major source of global oil demand at 11 million barrels per day, unchanged from four years ago. Japan's economy, and its bond market, suggest stagnation. We're witnessing a paradigm shift as the global economic landscape adjusts. For crude prices to reset, they'll need to get cheaper, potentially reaching \$40 per barrel. The current consensus for 2025 is about \$70 for WTI and \$72 for Brent, but those prices could drop sharply if the US stock market experiences an 8-10% correction. Historically, a stock market downturn leads to a 20% drop in crude unless offset by a supply shock. Brent needs to stay above \$80 to signal a bull market.

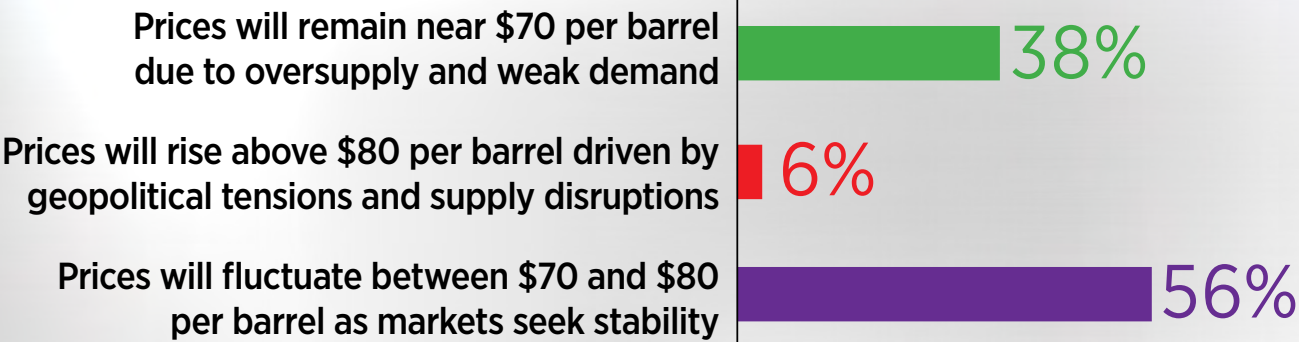


Mike McGlone
Senior Macro Strategist,
Bloomberg Intelligence

Otherwise, I expect it to trend lower. We're seeing trends like the rising surplus from US and Canadian oil exports, the increasing reliance on OPEC to cut supply, and China's need for more economic stimulus. Deflationary trends in China, reflected in bond yields at just 1.64% – 300 basis points below U.S. yields – add pressure to commodities. One area to watch is natural gas, which typically fluctuates between \$2 and \$4. The one commodity I believe will

outperform is gold. I see Trump likely act swiftly on tariffs and keeping energy prices on the lower end as a priority to please his electorate. On LNG, the US currently exports only about 10% of its natural gas. While that could increase slightly, exporting too much would drive up domestic prices, which won't benefit Trump's base. Other changes, like tax cuts and deregulation, require Congressional approval and could take years to materialize. ■

What is the most likely outlook for oil prices in 2025?



Source: Global Energy Outlook Forum 2025



Trump 2.0 will not Have Much impact on the Permian Basin



Richard Redoglia
CEO, Matrix Global Holdings

We've seen production rise from around 13 million b/d to around 13.8 million b/d in the last three years, driven by the supermajors taking over and shifting the output profile significantly, ensuring stable and long-term supply for the next 10 to 30 years. US production rose under both Trump 1.0 and Biden, demonstrating that it's largely independent of who's in office. Marginal production increases in areas like the Permian and Bakken have driven growth, not policy changes. Looking ahead, I believe LNG production and exports will be the key focus. Oil prices are likely to remain

stable unless a major political event, like a war, causes a significant shift. Both US majors and OPEC producers seem aligned to maintaining prices within a profitable range that supports long-term planning and profitability.

US Energy Transition

The US has been using a misguided approach to sustainability. We've seen major projects like the Keystone Pipeline stall, while alternatives, like the Trans Mountain Pipeline, have moved forward. Unfortunately, instead of transporting the dirtiest oil from Canada's oil sands to highly

regulated refineries in Houston, we're now sending it through pristine areas like Vancouver to be processed in less efficient refineries in China. China can mandate its population to adopt electric vehicles and reduce oil consumption, but the real focus should be on markets like India, Indonesia, and Africa. I believe we'll see a renewed partnership between the US and Canada to invest in infrastructure under Trump 2.0. The regulatory landscape will likely ease, making it easier for oil companies to operate. Sustainability efforts on biofuels and hydrogen may lose momentum due to a lack of funding. Financial institutions are stepping back from ESG initiatives, and regulatory pressures on disclosing Energy Transition plans are easing. Under Trump 2.0, we might not see "drill, baby, drill," but rather "export, baby, export," particularly in LNG. I foresee a significant increase in US infrastructure and export capacity, aligning with broader sustainability goals. ■



Datacenters for “AI” Remain Wildcard in US Energy Policy

When assessing sustainability and the U.S. production and export outlook, it’s important to distinguish between short-term and long-term trends.

U.S. electricity demand is rapidly increasing due to growth of data centers and AI, which could impact LNG exports as higher domestic demand and rising electricity prices may prompt restrictions on exports, regardless of the administration.

Similarly, even if incentives for renewables were removed by the Trump administration, rising electricity prices could still drive



Dr. Sara Vakhshouri
Founder & President,
SVB Energy International

renewable adoption in the US, particularly solar energy.

Despite political swings and changes of energy policies in the United States, the prospects for its energy production remain largely unaffected because most energy assets are privately owned, and private energy companies make

market-based decisions driven by profit.

While regulations can impact the cost of production, the main challenge for the US energy industry remains midstream infrastructure expansion and integration, which relies on consistent government support often disrupted by political shifts. ■

US ENERGY COMPANIES

“Many outside observers of energy markets don’t fully understand that the US energy industry is essentially an amalgamation of numerous independent decisions. Sometimes, you’ll see drilling occur simply because it’s budgeted, even if it’s uneconomic. This creates a lot of disassociated decision-making compared to a national oil company, which operates under a single, unified strategy.”

**Brian Pieri, Founder,
Energy Rogue**

My Biggest Concern for Latin America is the Growing Influence of China



Max Torres
Exploration VP, PetroTal

Chinese companies have steadily expanded their presence in mining, oil and gas, and other critical infrastructure projects. The country is now a larger trading partner than the US in many Latin American countries, which poses a strategic challenge. I believe a Trump administration would need to counter China's advance by fostering stronger partnerships with key regional

players like Venezuela, Mexico, and Brazil. For example, Venezuela has the heavy crude that US refiners need. Chevron's ongoing operations there, despite sanctions, have demonstrated the market's potential.

US-LATAM Investment

We've seen significant deepwater activity in countries like Brazil and Guyana. Mexico also has untapped

potential along its borders. These long-term projects are attractive to major energy companies due to their scale. Venezuela holds unique potential. With the right investment and infrastructure, production could rebound to two or three million barrels per day. Countries like Venezuela, Mexico, and Brazil should remain key US partners in energy trade. US Sanctions are more of a political tool than an economic strategy. Tariffs and trade threats will likely be used selectively to secure US interests, but I anticipate a mix of "carrot-and-stick" policies to foster investment and counter China's influence in the region. Chinese investments in Latin America on the other hand are more business oriented, than political, and this economic influence plays out against the backdrop of a larger geopolitical struggle between the US and China - a new Cold War. Latin America is one of the battlegrounds in this competition, alongside Africa and parts of Asia. If the US doesn't adapt its approach, including its stance on tariffs, it risks further alienating the region. ■

Trump's Approach to Venezuela will Differ Significantly to His First Term in Office



Jose Chalhoub
Analyst, Jose Parejo & Associates

Back then, his "all options are on the table" policy failed to force a regime change. I expect a new strategy this time around. While I don't see Venezuela as a top foreign policy priority, Trump may pursue negotiations on critical issues such as migration in exchange for possibly allowing increased US oil investments. Venezuelan production slightly recovered under the Biden administration after sanctions were partially lifted, and Chevron resumed operations. Trump's "drill, baby, drill" philosophy could prioritize boosting domestic US production, but reviving Venezuelan output might also align with US energy security interests. That said, PDVSA's capacity is limited. I doubt Venezuela could add

more than 200,000 to 300,000 b/d in the near term.

Venezuela's Relations Evolve

The nature of China's relationship with Venezuela has changed significantly under Maduro, compared to Chávez. During Chávez's tenure, Venezuela received massive loans from China in exchange for oil shipments. Under Maduro, commercial exchanges continue, but Beijing's financial backing has diminished. The same is true for other Venezuelan allies like Russia and Iran, although Iran has been more actively involved in Venezuela's oil sector. Russia, on the other hand, has mostly offered geopolitical and military support rather than engaging in significant deals with PDVSA.

These shifts highlight the evolving landscape of Venezuela's relationships with key international players, which will undoubtedly factor into Trump's approach.

Maduro's government could continue its pragmatic approach toward international investors, as we've seen over the past year. For instance, Venezuela has been trying to attract investment from Gulf countries like Saudi Arabia, the UAE, and Qatar in key sectors such as mining and oil and gas. Recently, the government renamed the Ministry of Oil as the Ministry of Hydrocarbons, signaling a renewed focus on exploiting the potential of natural gas - an underdeveloped resource compared to oil. The priority under a new Maduro government, which I believe is likely, should be fostering a strategic coexistence with the Trump administration, if Venezuela wants to attract investment and improve its oil production. ■

Mexico is Perhaps the Most Vulnerable Country in its Energy Relationship with the US



Aldo Flores-Quiroga
Former Deputy Secretary of Energy for
Hydrocarbons, Mexico's Ministry of Energy &
Senior Advisor, FTI Consulting

About 70% of its natural gas consumption is reliant on US supply, so any policy aimed at reducing these flows would be very damaging to the Mexican economy. Given the global nature of the oil fuels market, its 60% dependence on the US would also be important but less critical. However, I don't think this kind of disruption is currently being considered. It's also unclear whether tariffs or export controls become

part of broader discussions around security, migration, or organized crime. For now, these threats seem more like saber-rattling, but the situation warrants close observation.

The Future of PEMEX

Pemex is not in great shape. Since 2004, it has been losing about 100,000 b/d in production annually. Today, production is approximately 1.4 million b/d, or 1.7 million b/d

if you include condensates. That is nearly 2 million b/d less than 20 years ago. The company's financial situation is dire, with \$100 billion of debt and an additional \$20 billion owed to contractors and suppliers. There's little on the horizon to suggest a quick turnaround. That said, Mexico's potential remains significant. For instance, the Eagle Ford Basin extends into Mexico, presenting opportunities for unconventional oil and gas projects. However, without a favorable political environment and more private capital, tapping these resources will be difficult. This situation reflects a broader pattern across Latin America. The region has abundant energy potential and one of the cleanest energy mixes globally, yet political challenges often hinder integration and production. While countries like Brazil and Argentina have made some progress, politics frequently obstruct energy relations within the region and with the US. However, the growing emphasis on renewables offers reasons for cautious optimism. ■

THE MULTI PURPOSE PORT

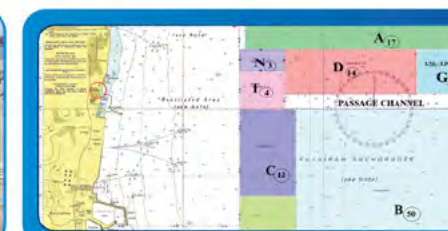
ONE OF THE WORLD'S LEADING ANCHORAGE AND BUNKERING LOCATIONS



Strategically situated on the East Coast of the UAE outside the Straits of Hormuz.



Dry Bulk Cargo - Key regional aggregate export hub.



Fujairah Oil Tanker Terminals (FOTT) - The Middle East's premier hub location for oil trading activities.



Bunkering at Fujairah Offshore Anchorage Area - Fujairah is the world's third largest Bunkering Hub.



Fujairah Terminals "FT" - FT provides a full range of container, general and project cargo services.



Extensive pipeline infrastructure connecting the Tank Storage Terminals with FOTT



Liquid Bulk Tank Storage Terminals - The Middle East's largest oil storage hub.



Fujairah Grain Silos - Strategic & commercial grain storage and trading.



FOTT Matrix Manifold System - This unique system provides terminals access to all berths as well enable ITTs between Terminals.



VLCC Berth - The first VLCC Berth on the Indian Ocean, which accommodates oil tanker up to 330,000 DWT.



Service Harbour - A Key facility to support one of the world's biggest maritime service hubs.

TOP 10 OUTLOOK FOR THE AMERICAS ENERGY MARKETS IN 2025

1. U.S. Oil Production Plateau

U.S. oil production is expected to stabilize at 13 million barrels per day in 2025, with limited growth due to high decline rates in shale production.

2. LNG Export Leadership

The U.S. will remain the largest LNG exporter, supported by expanded infrastructure, exporting nearly 25% of global LNG supply.

3. Trump's Energy Policies

A Trump 2.0 presidency may reduce regulations, increasing production and exports but could also introduce tariffs, creating inflationary pressures.

4. Venezuela Oil Recovery

Venezuelan production may slightly recover under relaxed sanctions, adding 200,000–300,000 barrels per day, but infrastructure and political challenges remain.

5. Mexico's Energy Dependency

Mexico imports 70% of its natural gas and 60% of its fuel from the U.S., making it vulnerable to potential U.S. energy policy changes.

6. Brazil and Guyana Deepwater Prospects

Significant deepwater exploration in Brazil and Guyana will boost non-OPEC supply, challenging OPEC's market share by 2025.

7. Infrastructure Bottlenecks

Pipeline and export infrastructure in the U.S. will need expansion to support LNG and oil production growth. Delays could hinder competitiveness.

8. Energy Transition Dynamics

U.S. renewable energy growth is expected to slow under Trump, but rising electricity prices may drive organic demand for renewables.

9. OPEC vs. Non-OPEC Competition

The U.S., Brazil, and Canada's non-OPEC supply growth could weaken OPEC+'s influence, with OPEC's market share potentially dropping further.

10. China's Influence in Latin America

China's growing investments in Latin American energy projects, including Venezuela and Ecuador, will challenge U.S. dominance in the region.



Consultancy
Intelligence
Publishing