



# Where is Next for UAE Oil?

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With [shale proving to be less productive than originally thought](#) in the US, the United Arab Emirates (UAE) seems to be taking a different direction completely. The oil-giants are planning a \$44 billion refinery complex in Maharashtra, India.

UAE's Abu Dhabi National Oil Co (ADNOC) has partnered with Saudi Aramco to invest in 50% the costly project, aiming to increase the number of refinery and petrochemical projects on the go in the UAE. The end goal? A huge refinery-cum-petrochemical complex housed in India.

## Oil partnerships

Currently, the UAE provides oil to a number of countries around the world, one of which is India. They are now looking to go beyond simply supplying the oil and are wanting to develop a strategic partnership, according to Minister of State in the UAE and CEO of the ADNOC, [Sultan Ahmed Al Jaber](#).

The partnership, however, does come with requirements. "We are only looking at strategic partnership given that we can also bring our own crude", says Al Jaber. By utilising this new partnership, the UAE can continue to extract and make profit from their large supply of crude oil but benefit from India's refineries and form a close partnership between the two nations.

As it stands, the UAE supplies a small quantity of oil to India but has plans to ramp up investments and attract further customers and partners. Kuwait is also looking for projects to invest in, in return for getting an assured offtake of their crude oil.

Together, Saudi Aramco and ADNOC will own 50% of the proposed project, with the division between the two companies yet to be announced. As for the remaining 50%, Indian Oil Corp (IOC), Bharat Petroleum Corp Ltd (BPCL) and Hindustan Petroleum Corp Ltd (HPCL) collaboratively own half of the project.

## Future protection

So far, the project has hired spaces in the underground strategic oil storages in Mangalore and Padur, in Karnataka. This underground storage was built by Indian officials as an emergency stock of oil, holding around 5.33 million tonnes.

They have allowed foreign oil companies to rent out space to store their oil, on the condition that, in the case of an emergence, the stockpile can be used by New Delhi.



As both investing companies begin filling the storage with oil, the future of the project remains unclear, awaiting the start of the refinery construction.