



Saudi Overtakes UAE As Leading Kenya Exporter

As the race continues to see [who will pump the world's last barrel of oil](#), Saudi Arabia are upping their game and branching out further. They have recently overtaken the United Arab Emirates (UAE) as Kenya's leading source of oil imports.

Data from [Kenya National Bureau of Statistics \(KNBS\)](#) revealed that, last year, petroleum product imports from Saudi Arabia increased by 61%. Meanwhile, oil imports from the UAE increased at a much slower rate of 7.6%. But what does this mean for both nations?

Crude oil cuts

In recent years, the Abu Dhabi National Oil Company (ADNOC) made the decision to cut Murban crude oil allocations to its customers by 25%. Amongst other things, this may have pushed Kenyan traders to seek oil from Saudi Arabia, it's argued. This decision led to an increase in the share of Saudi's oil imports up to 38% in 2018, compared to just 25% in 2017. The UAE, on the other hand, saw a price decline, from 38% in 2017 to 33% in 2018. In total, Kenya's petroleum import was around 349.6 billion Somali Shillings (Sh), compared to Sh282 billion a year earlier.

ADNOC's decision to reduce Murban crude allocations came into effect last March, seeing a huge increase in the demand for oil from Saudi Arabia. The newly heightened demand for cheaper Saudi Arabian oil led to the value of imported petroleum increasing by 61%, reaching Sh111.7 billion in 2018. According to KNBS data, this was a huge increase compared to petroleum products imported from the Gulf State in 2017, which was worth Sh69.3 billion.

The UAE's cooperation

The motivation for ADNOC's decision to reduce allocations was partly due to "the UAE's continued commitment to the OPEC and non-OPEC 'Declaration of Cooperation'", as the UAE's Energy Minister, Suhail Mohamed Al-Mazrouei, confirmed in a Twitter post shortly after the announcement. He added that "In March, ADNOC will reduce its Murban crude allocation by 25 per cent. Customers have been notified accordingly by ADNOC".

ADNOC's main onshore oil source is Murban crude oil, with Das crude oil and Upper Zakum being amongst its most popular offshore grades. Das crude is a newly



introduced high-quality crude blend from the Umm Shaif and Lower Zakum oilfields, potentially set to become the company's main source and export of oil due to its high quality.

While the race continues to become the leading supplier of oil for a number of countries worldwide, those buying and importing the oil are left at a disadvantage. Kenya, for instance, paid a higher price for a barrel of oil from Saudi Arabia, after it joined other major crude producers to reduce supply.