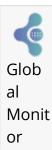


## Kuwait Oil and Gas Market Report with COVID-19 impact Analysis

The Kuwait report analyses the impact of COVID-19 on the oil and gas sector and provides analysis on production, gas production, gas consumption, and trade.

SEATTLE, WASHINGTON, UNITED STATES, October 24, 2020 /EINPresswire.com/ --Market Overview



The Kuwait Oil and Gas market demand in the first half of 2020 was market with extraordinary events, which have not been witnessed in the industry. The spread of COVID-19 has forced Kuwait issue lockdown order, and impose travel restrictions and stay at home orders. Restrictions on movement have drastically reduced the usage of automobiles, industrial activity, shipping, and transportation. This impact was immediately felt on the of the Kuwait oil and gas demand. The demand collapse in the Kuwait was estimated to be more than 20% in April 2020. Lack of physical demand for crude oil saw prices to collapse quickly. LNG prices which were already under pressure from weak fundamental have also fallen further as working from home has caused a sharp decline in the Kuwait electricity usage. From the end of Mid-June 2020, the lockdown restrictions began to ease and the slow return of the market to normal conditions is underway. Though lockdown restrictions in the country are ending, the full return of pre-COVID19 fuel consumption level has yet to be seen.

## Request for executive Summary Report @ <u>https://www.globalmonitor.us/product/kuwait-oil-and-gas-market-report</u>

The Kuwait report focuses on the impacts of COVID-19 across supply and demand for oil & gas and LNG. With the ease in lockdown measure in the Kuwait, the economic activity is rebounding with a growing demand for fuel demand. The Kuwait oil and gas demand is expected to return to 2019 levels only after 2023 or 2024, although early recovery is expected based on the availability of the vaccine in the country.

<u>China</u>, which was one of the first hit countries has existed lockdown in March and the slow recovery of market consumption to pre-pandemic levels provides hopes for Kuwait oil and gas market. One of the key development in the <u>global oil and gas</u> industry in 2020 was the agreement of OPEC+ countries to initiate production cuts in early April 2020. The New Agreement focuses on reducing the global supply by 10% from May to July due to the significant drop in the global demand in 2020. For the first time in the history, <u>US crude benchmark</u> WTI price has gone negative during April implying that contract holders are paying buyers to purchase crude. The Kuwait oil and gas market in H2 2020 is expected to have one of the worst demand in the past decade due to the COVID-19 pandemic. The prospects of the second wave of infection and additional lockdown measures could further dent the hopes of recovery of the oil and gas market in the country.

Know more about the report here @ <u>https://www.globalmonitor.us/product/kuwait-oil-and-gas-</u> <u>market-report</u>

## Market Dynamics

Crude Oil prices are predicted to increase as fundamentals are set to improve over the next few years, as OPEC+ is focusing on keeping the production levels moderated. Easing of COVID-19 lockdown and improving fuel demand will provide scope for price recovery. The uncertainty over the long term impacts of COVID-19 on the oil and gas industry demand in Kuwait will continue in 2020.

Despite the unprecedented collapse in fuel demand of nearly 6.0mn b/d estimated for 2020, our 10-year forecast shows no sign of peak oil demand in the decade to come although our growth outlook falls well below historic averages hastening the pace of peak demand. Despite the huge collapse in the global fuel demand estimated at nearly 5.81mn b/d by 2020, there is no sign of peak oil demand in the upcoming years, though growth outlook falls well below historic levels

With an increase in people working from home, this could seriously impact the recovery of the oil and gas demand in the long term. A significant drop in the transportation requirement will result in a huge drop in oil and gas consumption. Air travel is also likely to be heavily impacted segment of transportation as a result of COVID-19. With more companies focusing on having virtual meeting post-COVID-19 and focus on reducing unnecessary travel, air transportation and fuel consumption by the airline industry will also be impacted. The recovery of the air travel will be slow with domestic flights seeing a ramp-up before international travel. If social distancing measures are imposed by governments, IATA estimates that airfares would increase by an average of 50% to accounts for reducing the number of seats. This increase in airfares would huge hamper the growth prospects of the airline industry.

Download the Kuwait Oil and Gas Report here @ <u>https://www.globalmonitor.us/product/kuwait-oil-and-gas-market-report</u>

## Investment Scenario

A decline in the global oil and gas CAPEX will be significant in 2020 and is predicted to exceed the level of declines experienced in the last oil price downturn in 2015-2016. The rapid decline of oil prices in March and April 2020 has forced oil and gas producers to drastically reduce CAPEX, which saw many enact two rounds of cutbacks as prices continued to fall. Since then, the prices

of oil has increased by nearly 100% to USD 40/bbl for brent. The chances of increasing CAPEX remains low as most of the companies predict that the market to remain weak due to the ongoing economic recession and increasing cases of COVID-19 across the world. Companies are focusing on using the capital efficiently to support production and development and are focusing on improving the supply chain going forward. The oil market is expected to remain undersupplied in 2021, which will support higher oil prices and encourage increased investment.

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