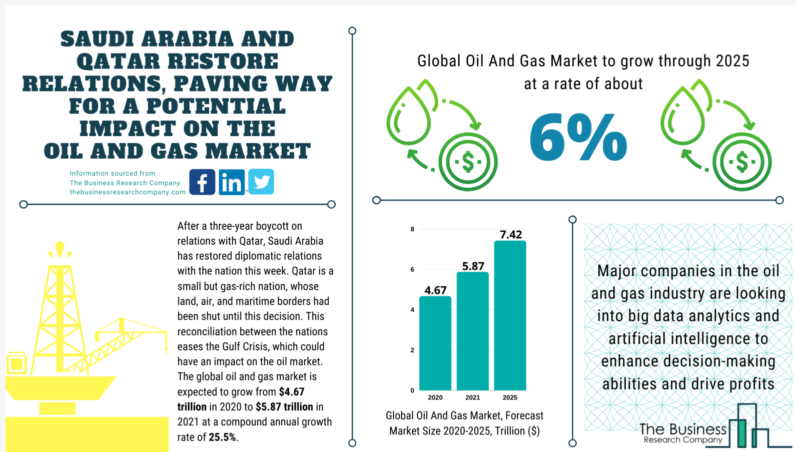
Saudi Arabia And Qatar Restore Relations, Paving Way For A Potential Impact On The Oil And Gas Market

The Business Research Company's Oil And Gas Global Market Report 2021: COVID-19 Impact and Recovery to 2031



Oil And Gas Global Market Report 2021: COVID-19 Impact And Recovery To 2031

LONDON, GREATER LONDON, UK, January 7, 2021 /EINPresswire.com/ -- After a three-year boycott on relations with Qatar, Saudi Arabia has restored diplomatic relations with the nation this week. Qatar is a small but gas-rich nation, whose land, air, and maritime borders had been shut until this decision.* As per data on the Global Market Model, Asia Pacific was the largest region in the global oil and gas market, accounting for 33% of the market in 2020. North America was the second largest region accounting for 19% of the global market. South America was the smallest region in the global oil and gas market. Major companies in the market include Saudi Aramco, Exxon Mobil, Royal Dutch Shell, BP, and Sinopec.

This reconciliation between the nations eases the Gulf Crisis,** which could have an impact on the oil market. The global oil and gas market is expected to grow from $4.67 trillion in 2020 to $5.87 trillion in 2021 at a compound annual growth rate (CAGR) of 25.5%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach $7.42 trillion in 2025 at a CAGR of 6%.

Besides this settlement that may have its own effects, oil price volatility is likely to have a negative impact on the market as a significant decline and increase in oil prices negatively impacts government and consumer spending. The decline in oil prices is having a negative impact on government spending in countries such as Saudi Arabia, Nigeria, and the UAE (United Arab Emirates), which are largely dependent on revenues generated through crude oil exports; whereas a significant increase in oil prices had resulted in rising inflation, current account deficit and fiscal deficit in countries such as India and China, which predominantly import oil.

For instance, the Saudi government cut down its spending from 1.05 trillion riyals ($280 billion) in 2019 to 1.02 trillion riyals ($270 billion) in 2020 and is expected to cut further to 955 billion riyals ($255 billion) by 2022 due to the significant decline in revenues generated from oil exports. This high volatility in oil prices is expected to negatively impact the market going forward.

The global oil and gas market report covers by type: oil & gas upstream activities, oil downstream products, by distribution channel: supermarkets/hypermarkets, convenience stores, e-commerce, others, and by nature: organic, conventional. Subsegments covered are crude oil, natural gas, oil and gas wells drilling services, oil and gas supporting activities, refined petroleum products, asphalt, lubricating oil and grease.

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Source:
*https://cnn.it/3s1UbEk
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