



Written by [Bob Adelman](#) on May 9, 2018

Citigroup: U.S. Will Be World's Largest Oil Exporter by Next Year

Citigroup announced last week that exports of crude and finished oil products from the United States would overtake Saudi Arabia's by next year. [Last week, the United States exported 8.3 million barrels per day \(bpd\) of crude and finished petroleum products.](#)

While Saudi Arabia exported 9.3 million bpd of crude and refined products in January, the kingdom plans to cut crude exports to under seven million bpd in May.



With the coming sanctions against Iran thanks to the president's termination of the Iranian "nuclear deal" on Tuesday, up to another million bpd of crude could be removed from global supply, tilting further the advantage to U.S. producers.

Those sanctions set up the U.S. oil industry to continue to fill the vacuum just as quickly as it can find skilled roughnecks to put up idled rigs and complete wells that were drilled just waiting for an opportunity such as this. Those DUCs — drilled but uncompleted — wells number above 4,000 and are being brought online as quickly as possible. Labor and material bottlenecks are being resolved, and with oil in the high 60s and lifting costs in the low 30s, the boom in U.S. production will continue to set records. All at OPEC's expense.

OPEC's problems are largely self-inflicted. As a result of its oil production cuts, it has removed nearly two million barrels per day from world supplies. With help from Marxist Nicolás Maduro, Venezuela's supply to the world market is scheduled to decline by another 600,000 bpd. And now, the arbitrage trade — the difference between the London price of crude (Brent) and the Oklahoma price (WTI — West Texas Intermediate) — is over \$5 a barrel in the United State's favor, adding additional push behind U.S. producers.

{moduleposi inner_text_ad}

Even though France, Germany, and the U.K. still support the Iran nuclear deal, the head of France's oil company Total SA is having second thoughts about completing its \$5 billion investment in Iran. As Bloomberg expressed it, Total's CEO Patrick Pouyanne is reviewing "the legal consequences" of the new sanctions about to be imposed by President Trump on Iran.

OPEC meets in June to determine whether it will continue its production-cut agreement, scheduled to terminate at the end of the year, or allow the cartel's members out from under its limitations. As more and more of its market share is being taken away by American producers, there is little talk of extending the agreement into 2019.

The combination of spring and summer driving upping demand in the United States, along with surging international demand, is making the investment decisions by U.S. frackers almost irresistible: Strike now while the opportunity exists, take away market share from competitors, and seize the day. The foothold U.S. oil producers have already gained in markets in Europe, Asia, and South America that once belonged to OPEC will expand over time, cementing into place America's preeminent position as



Written by [Bob Adelman](#) on May 9, 2018

the world's largest energy producer, and potentially relegating Saudi Arabia and its OPEC cartel ultimately to a historical footnote.

An Ivy League graduate and former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at [LightFromTheRight.com](#), primarily on economics and politics. He can be reached at badelman@thenewamerican.com.



Subscribe to the New American

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.

Subscribe