

# The 13<sup>th</sup> Global UAE Energy Forum

## “YEAR AHEAD ENERGY OUTLOOK 2023”



## VIEWS YOU CAN USE

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### Have sanctions on Russia worked at all?

Sanctions do work but they take time to impact. One weakness is that not everybody joined in, so the oil market responded by adjusting the direction of crude flows to big consumers like China, India, Turkey, and even some countries in the Middle East. However, the impact of sanctions on Russian oil products, coming up in February, is still a grey area. Countries like China and India have massive refining capacity – are they going to buy products from Russia? So, we should expect to see Russian crude production declining, maybe not severely, but even the most recent modest forecasts coming from OPEC show that it could decline by around 850,000 barrels a day and that could be because Russia is unable to redirect oil products as it did with crude.

### Has global recession been averted?

There's a dichotomy or disconnect between the financial community and what international organizations are saying about the state of the global economy. Wall Street is downplaying the outlook for recession and perhaps overplaying China's comeback and its positive impact on the macroeconomic outlook globally for 2023, while the IMF and World Bank are predicting more doom and gloom. And no one knows how durable a recession will be if it happens. This is an indication of the level of uncertainty that we are still facing this year for all sectors, including energy.

### Has the commodities market absorbed inflation and interest rate expectations?

There seems to be a greater belief today that because inflation seems to be easing in key economies, that central banks are going to relax their interest rates increases. But that is questionable because we might not have hit the peak of inflation and the Fed will continue until they have more definitive evidence that they have brought inflation down. ■

*\*Paraphrased Comments*