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The reporting on Venezuela and Cuba... Oil

Media reports during the last sixteen years:

30 October 2000

The government of Venezuela and the government of the Republic of Cuba sign an agreement which includes 53,000 barrels bbl/d (1 barrel equals 42 gallons) five (5) years; then international price of oil was US\$32.00 per barrel. Value was US\$1,695,000.00 based upon US\$32.00 price for one year.

Terms of the agreement were also reported as repayment terms of fifteen (15) years with 2% annual interest rate and price per barrel to be paid would be as low as US\$20.00.

Terms of the agreement were also reported to include 60% of the per barrel price would be paid in ninety (90) days and 40% financed at 1% with a twenty-five (25) year repayment term.

2003

Venezuela reported to export 38,000 bbl/d of oil to the Republic of Cuba.

15 December 2004

The 2000 agreement is renewed with changes: 53,000 bbl/d, but per barrel price would be based upon international prices with agreement guaranteeing a minimum price of US\$27.00 per barrel. International price on 15 December 2004 was US\$36.00.

February 2005

Oil exports from Venezuela reportedly increased to 90,000 bbl/d. Reported that Venezuela providing 20,000 bbl/d to 26,000 bbl/d at no cost until 2020. The Republic of Cuba reported to re-export 40,000 bbl/d to 50,000 bbl/d as the Republic of Cuba produced 80,000 bbl/d (primarily high sulfur heavy crude) and total consumption is 120,000 bbl/d.

2007

Venezuela reported to export 87,000 bb/d to the Republic of Cuba.

2008

Venezuela reported to export 97,000 bbl/d to 111,700 bbl/d to the Republic of Cuba.

2012

Venezuela reported to export 104,000 bbl/d to the Republic of Cuba.

2013

Venezuela reported to export 99,000 bbl/d to the Republic of Cuba.

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September 2014

Venezuela reported to decrease exports to 55,000 bbl/d to the Republic of Cuba.

2015

Venezuela exported 1.64 million bbl to the Republic of Cuba; the oil was sourced from Angola's Girassol and Russian Federation's Urals Crudes.

2016

Venezuela's oil exports to the Republic of Cuba reported to have decreased by 40% during the first six months of 2016 compared to the same period in 2015.

October 2016

Algeria donating 80,000 tons (560,000) bbl to the Republic of Cuba.
Cuba seeking oil sourcing agreements with Russia and Iran.

Venezuela-based PDVSA and the Republic of Cuba's ONE have not published 2015 data. 2015 data is based upon tracking tanker movements.

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During 2016, the Republic of Cuba has enacted energy rationing (fuels and electricity) within the state sector; and the refinery at Cienfuegos was reported closed in July 2016 and has not resumed operations. However, tanker movements show crude and products from various sources delivered to Matanzas for transshipment to refineries in Havana and Santiago de Cuba. The owners of the cargos are unknown; as is whether the government of Venezuela is purchasing the cargo on behalf of the Republic of Cuba.

There have been no significant electric power grid collapse or blackout or major shortages of fuels...except that taxi drivers can no longer purchase gasoline in the black market due to reductions at state enterprises; they now purchase fuel from Cupet Service Stations.

PDVSA basket price for year-to-date October 2016 is US\$33.88 per barrel. If the Republic of Cuba remains importing 80,000 bd, and 2016 year-end price of oil averages US\$40.00 bbl, then the 2016 10-month annualized estimate is approximately US\$1.2 billion.

The Republic of Cuba is presumed to be receiving approximately the 80,000 bd that it needs of either crude or products to be balanced: 140,000 bd of petroleum demand, 50,000 of crude oil production: app. 80-90 mbd of imports. The question is who is paying for these new imports to substitute Venezuelan crude...the Republic of Cuba or Venezuela?

**Courtesy Of The Center for International Energy and Environmental Policy (CIEEP)
The University of Texas at Austin
31 October 2016**

Neither the Republic of Cuba nor Venezuela provide public annual operating and financial statements on the activity and outstanding balance on their services for crude oil and or petroleum products barter agreement- Convenio Integral de Cooperación (CIC) Cuba-Venezuela signed on 30 October 2000.

Both countries do, however, publish the volumes of crude oil and or petroleum products supplied by Venezuela to the Republic of Cuba under said agreement allowing for an estimate on the value of the exchange as well as the short and long payment receivables as outlined in the agreement.

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The CIC reportedly provided the Republic of Cuba free cash flow equal to the volume delivered. The CIC is non-cash barter exchange. In 2008, the agreement was amended so that the short-term 90-day payments were eliminated and offset by the estimated cost contribution to Barrio Adentro II.

US\$ Basket Price	Ninety (90) Days %	17 Years To 25 Years %
15.00	95	5
20.00	90	10
22.00	85	15
24.00	80	20
30.00	75	25
40.00	70	30
50.00	60	40
80.00	50	50
100.00	40	60
150.00	30	70

Year	Mbd 1,3	US\$/bbl 2	Terms% 3	US\$ 90 Day	US\$ 25 Year	US\$ Total
2003	86.7	28.40	80/20	719.00	180.00	899.00
2004	89.7	40.56	75/25	996.00	332.00	1,328.00
2005	100.5	46.16	70/30	332.00	508.00	1,693.00
2006	92.5	56.35	60/40	508.00	761.00	1,903.00
2007	91.5	64.74	60/40	761.00	865.00	2,162.00
2007	93.3	86.49	50/50	865.00	1,473.00	2,945.00
2009	92.5	57.01	60/40	1,473.00	770.00	1,925.00
2010	97.8	72.43	60/40	770.00	1,034.00	2,586.00
2011	90.3	101.06	40/60	1,034.00	1,999.00	3,331.00
2012	91.1	103.42	40/60	1,999.00	2,063.00	3,439.00
2013	99.3	98.08	50/50	1,777.00	1,777.00	3,555.00
2014	89.4	88.42	50/50	1,442.00	1,442.00	2,885.00
2015	80.0*	44.65	70/30	652.00	652.00	1,304.00
2016	TBD	TBD	TBD	TBD	TBD	TBD
Total				US\$16,098.00	US\$13,856.00	US\$29,955.00

¹ Petróleos de Venezuela, S.A. y sus Filiales (PDVSA); Informe de Gestión Anual y Balance de la Gestión Social y Ambiental 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013, Caracas, Venezuela. Cuba, Oficina Nacional de Estadísticas, Anuario Estadístico de Cuba, 2006-2014, Table 10.7.

² Venezuela's annualized average oil basket price (70% crude oil and 30% refined products) as reported by Ministerio del Poder Popular de Petróleo y Minería (MENPET) 2006-2013, Caracas, Venezuela. EIA, FOB value of Venezuelan crude oil imports.

³ As ammended PetroCaribe, Resolucion No. 04-03-05, V Head of State Summit, July 13, 2008, Maracaibo, Venezuela.

Average annual OPEC crude oil price:

1961- US\$1.57	2000- US\$27.60	2010- US\$77.38
	2001- US\$23.12	2011- US\$107.46
1992- US\$18.44	2002- US\$24.36	2012- US\$109.45
1993- US\$16.33	2003- US\$28.10	2013- US\$105.87
1994- US\$15.53	2004- US\$36.05	2014- US\$96.29
1995- US\$16.86	2005- US\$50.59	2015- US\$49.49
1996- US\$20.29	2006- US\$61.00	2016- US\$45.04
1997- US\$18.86	2007- US\$69.04	
1998- US\$12.28	2008- US\$94.10	
1999- US\$17.44	2009- US\$60.86	