STRATFOR
GLOBAL INTELLIGENCE

Global Energy Forecast

A Geopolitical Perspective

CoBank Energy Directors Conference

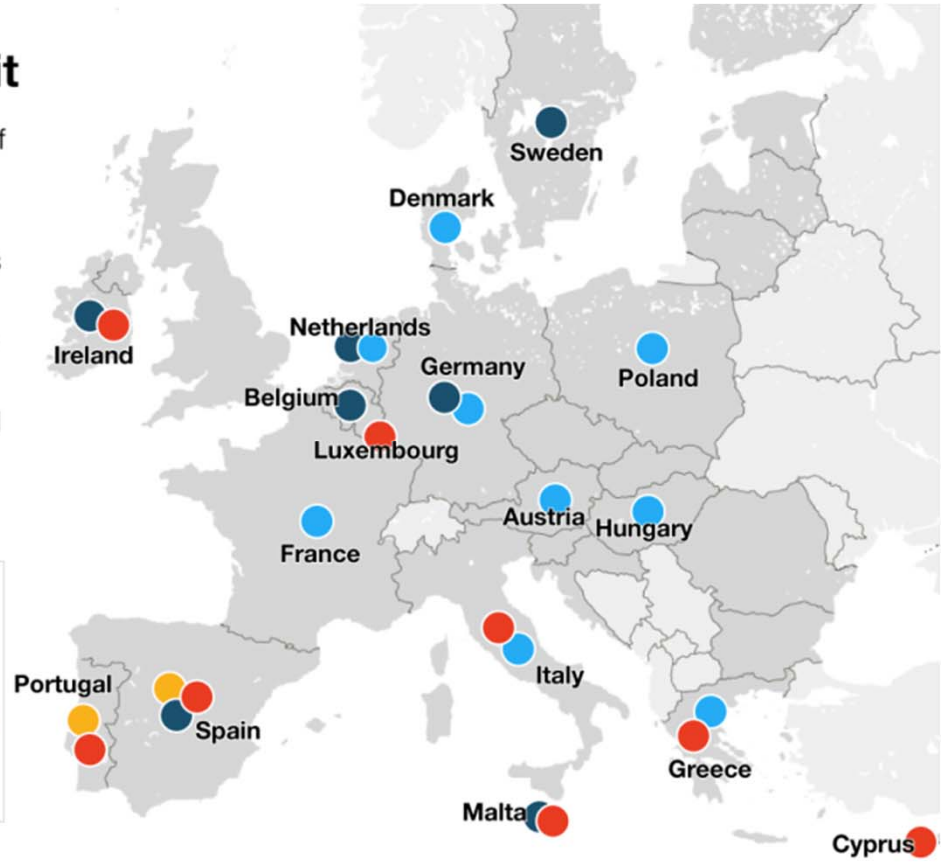
Colorado Springs
July 2016

Europe: The Shape of Things to Come

The Risk of a Brexit

A Brexit would lead to a period of uncertainty in Europe that would have a negative impact on most EU economies. In addition to this generalized risk, some countries face specific challenges linked to a Brexit, such as a sharp decrease in exports, higher bond yields and an increase in domestic Euroskepticism.

- Financial risk
- Political uncertainty
- Rising Euroskepticism
- Economic risk



"We know that the geopolitical consequences of Brexit may be very serious…but it is equally important to send a strong message to the whole world today that Brexit, as sad and meaningful as it is, is just an incident and is not the beginning of the process. To all our opponents on the inside and out who are hoping for a sequel to Brexit, I want to say loud and clear that you won't see on the screen the words 'to be continued'."

- European Council President Donald Tusk

FORMER SOVIET UNION

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RUSSIAN STATELET SPONSORSHIP

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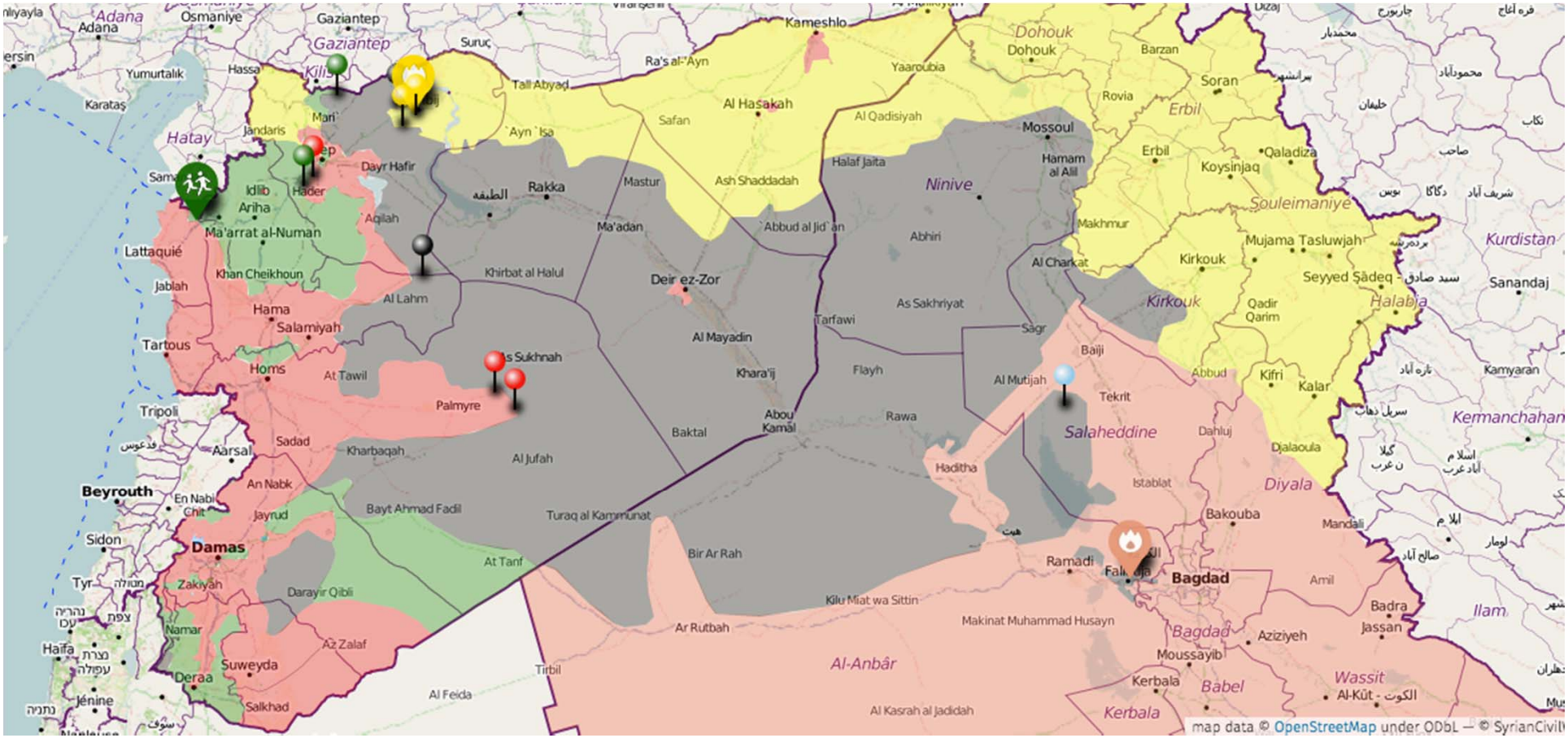
Adana
Osmaniye
Gaziantep
Suruç
Kameshlo
Dohouk
Barzan
Yumurtalık
Hassa
Karataş
Tall Abyad
Ra's al-'Ayn
Yaaroubia
Soran
Rovia
Erbil
Hatay
Jandaris
Mari`
Safan
Al Hasakah
Al Qadisiyah
Mossoul
Hamam al Alil
Erbil
Qaladiza
Koysinjaq
Dayr Hafir
Hader
Idlib
Ariha
Aqilah
Rakka
Mastur
Ash Shaddadah
Halaf Jaita
Ninive
Souleimaniye
Ma'arrat al-Numan
Ma'adan
`Abbud al Jid`an
Abhiri
Makhmur
Mujama Tasluwjah
Kurdistan
Lattaquié
Khan Cheikhoun
Khirbat al Halul
Deir ez-Zor
Al Charkat
Kirkouk
Seyyed Sadeq
Sanandaj
Jablah
Al Lahm
As Sakhriyat
Kirkouk
Qadir Qarim
Halabja
Hama
Salamiyah
Tarfawi
Sagr
Tartous
Al Mayadin
Baiji
Homs
At Tawil
Khara'ij
Flayh
Al Mutijah
Abbud
Kifri
Kalar
Kamyaran
Tripoli
Palmyre
Tekrit
Abou Kamal
Rawa
Salaheddine
Dahluj
Kermanchahan
Aarsal
Sadad
Kharbaqah
Baktal
Al Jufah
Djalaoula
Beyrouth
An Nabk
Haditha
Istablat
Diyala
En Nabi Chit
Jayrud
Bayt Ahmad Fadil
Turaq al Kammunat
Bakouba
Mandali
Sidon
Damas
Bir Ar Rah
Ramadi
Bagdad
Amil
Tyr
Zakiyah
At Tanf
Darayir Qibli
Kilu Miat wa Sittin
Badra
Jassan
Ilam
Namar
Ar Rutbah
Makinat Muhammad Husayn
Bagdad
Aziziyeh
Haifa
Az Zalaf
Moussayib
Suweyda
Al-Anbâr
Tirbil
Kerbala
Babel
Wassit
Al-Kût
Deraa
Al Feida
Al Kasrah al Jadidah
Kerbala
Jénine
Salkhad
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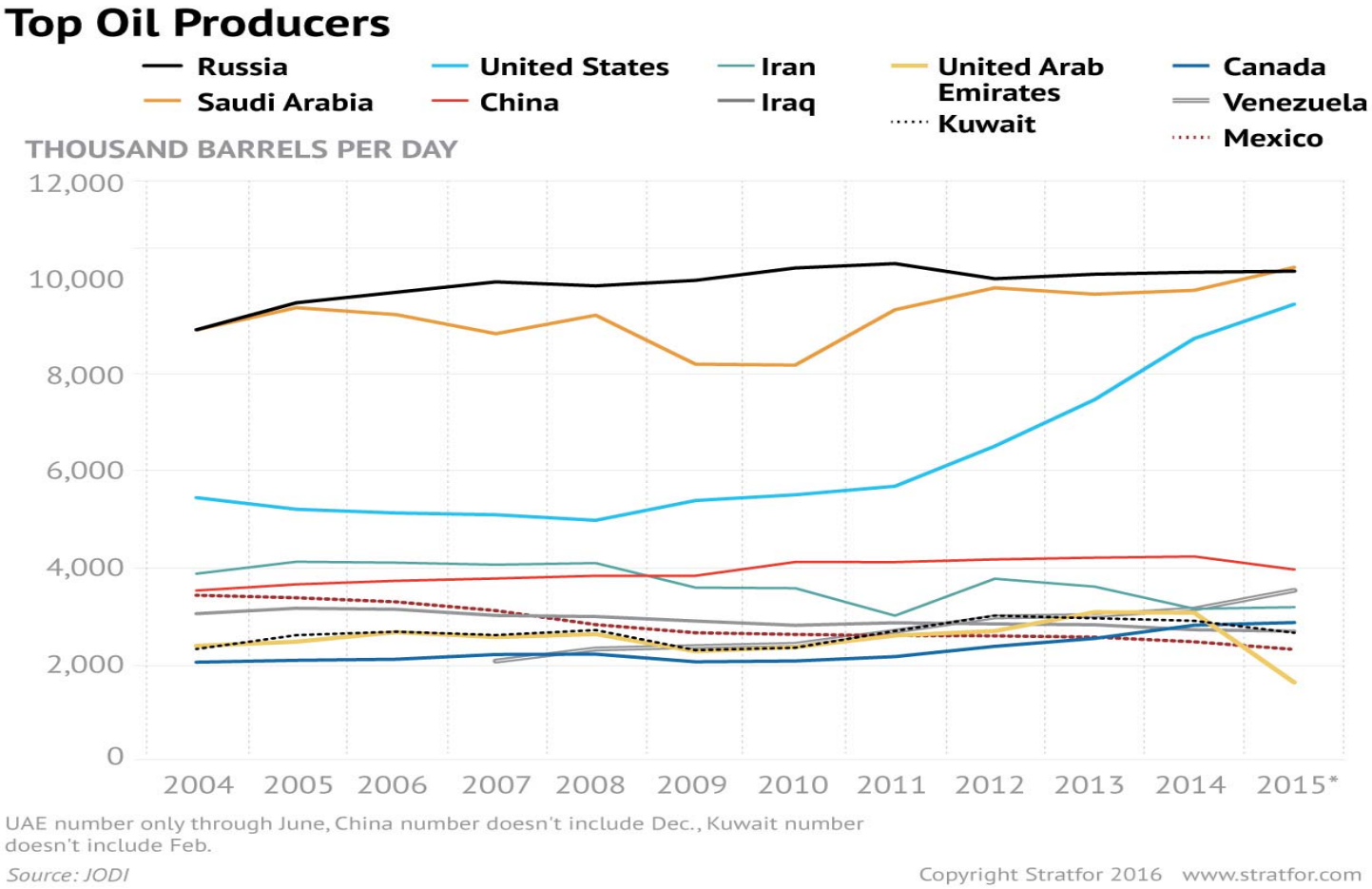
Top Oil Producers
Russia
Saudi Arabia
United States
China
Iran
Iraq
United Arab Emirates
Kuwait
Canada
Venezuela
Mexico
THOUSAND BARRELS PER DAY
12,000
10,000
8,000
6,000
4,000
2,000
0
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015*
UAE number only through June, China number doesn't include Dec., Kuwait number doesn't include Feb.
Source: JODI
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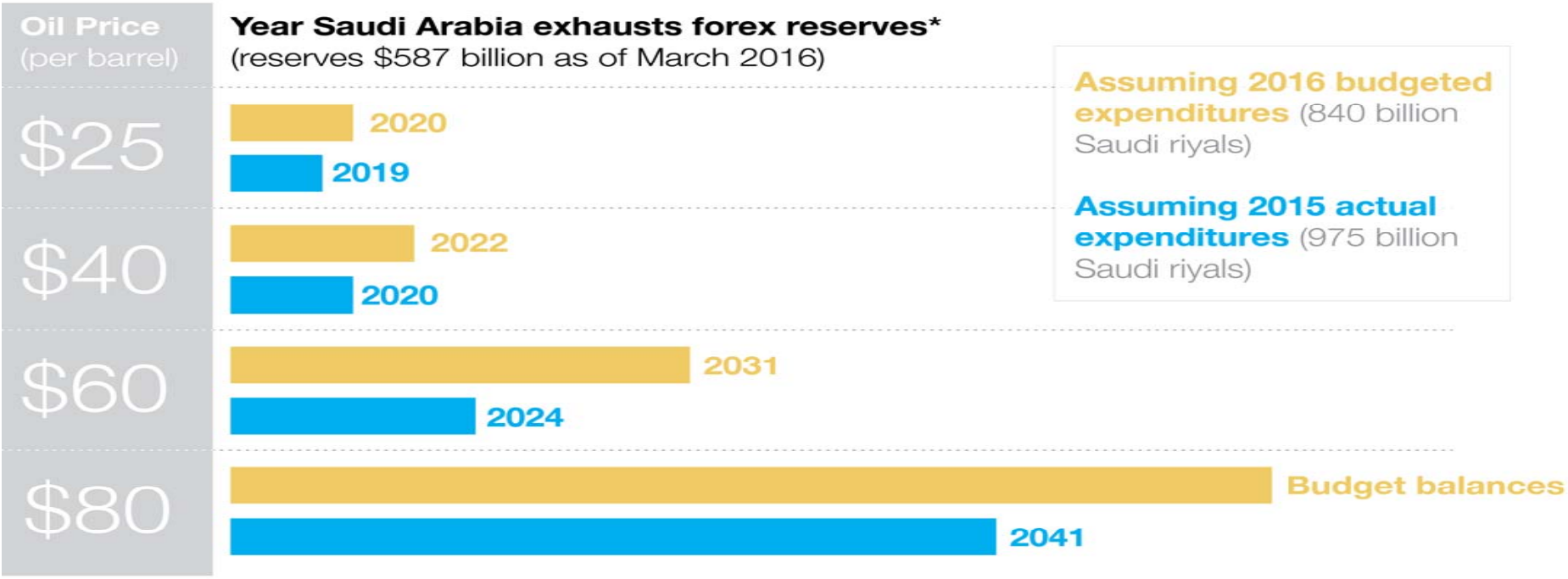
Saudi Arabia's Pressure to Reform

Saudi Arabia historically spends beyond its budgeted expenditures

*(*Assumes constant expenditures and no growth in non-oil revenue)*



Source: Jadwa Investment

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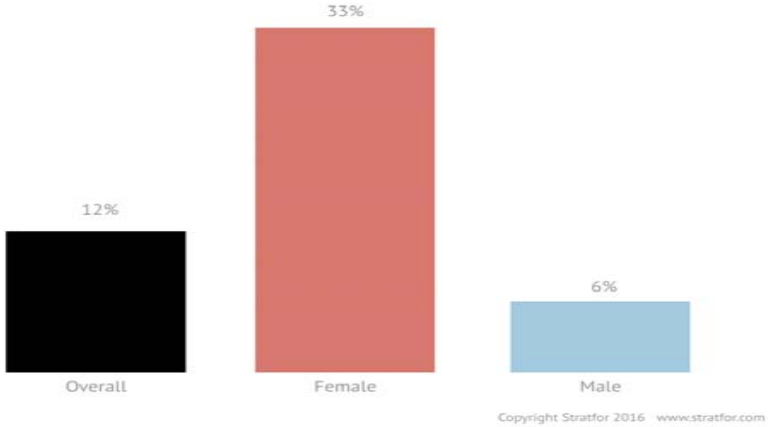
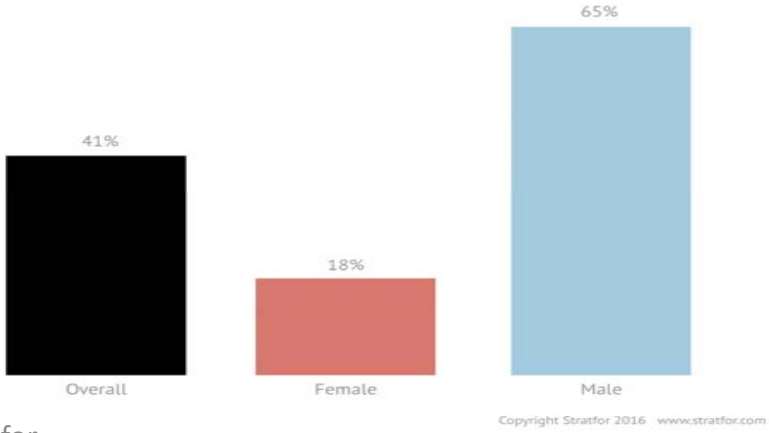
Saudi Unemployment



GDP by sector, 2014

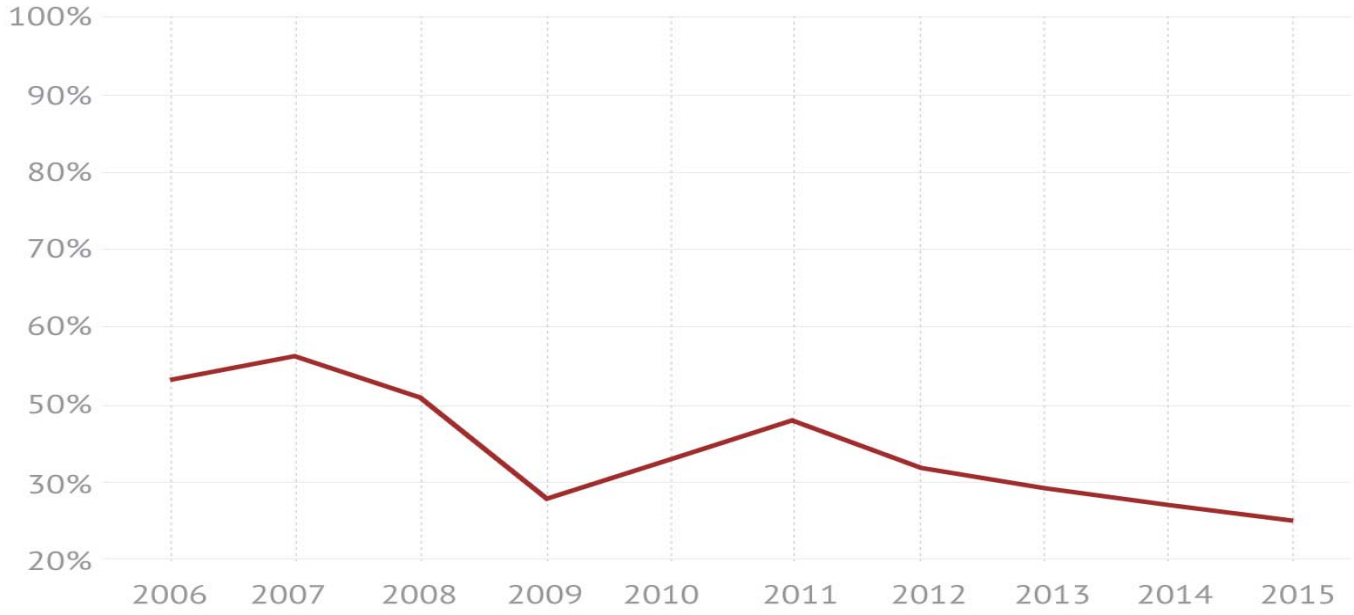
Saudi Labor Force Participation Rate



Average Monthly Wages USD

Saudi Arabia Life Evaluation Index

Measures respondents' perceptions of where they stand now and in the future. Percent of those respondents who say they are thriving by year. Selected demographics are aggregate.



Source: Gallup Analytics

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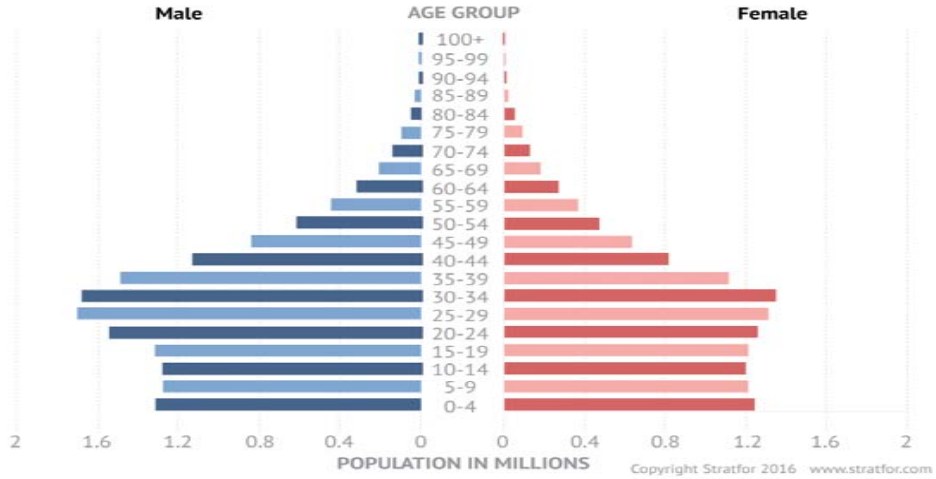
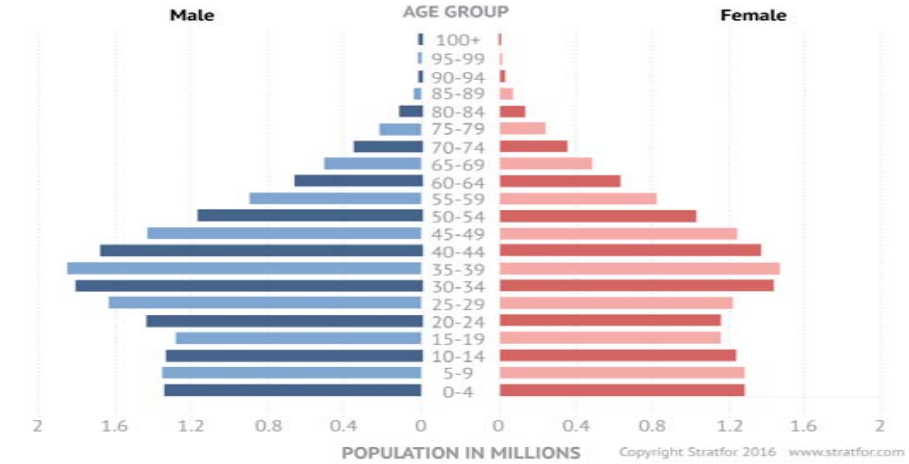
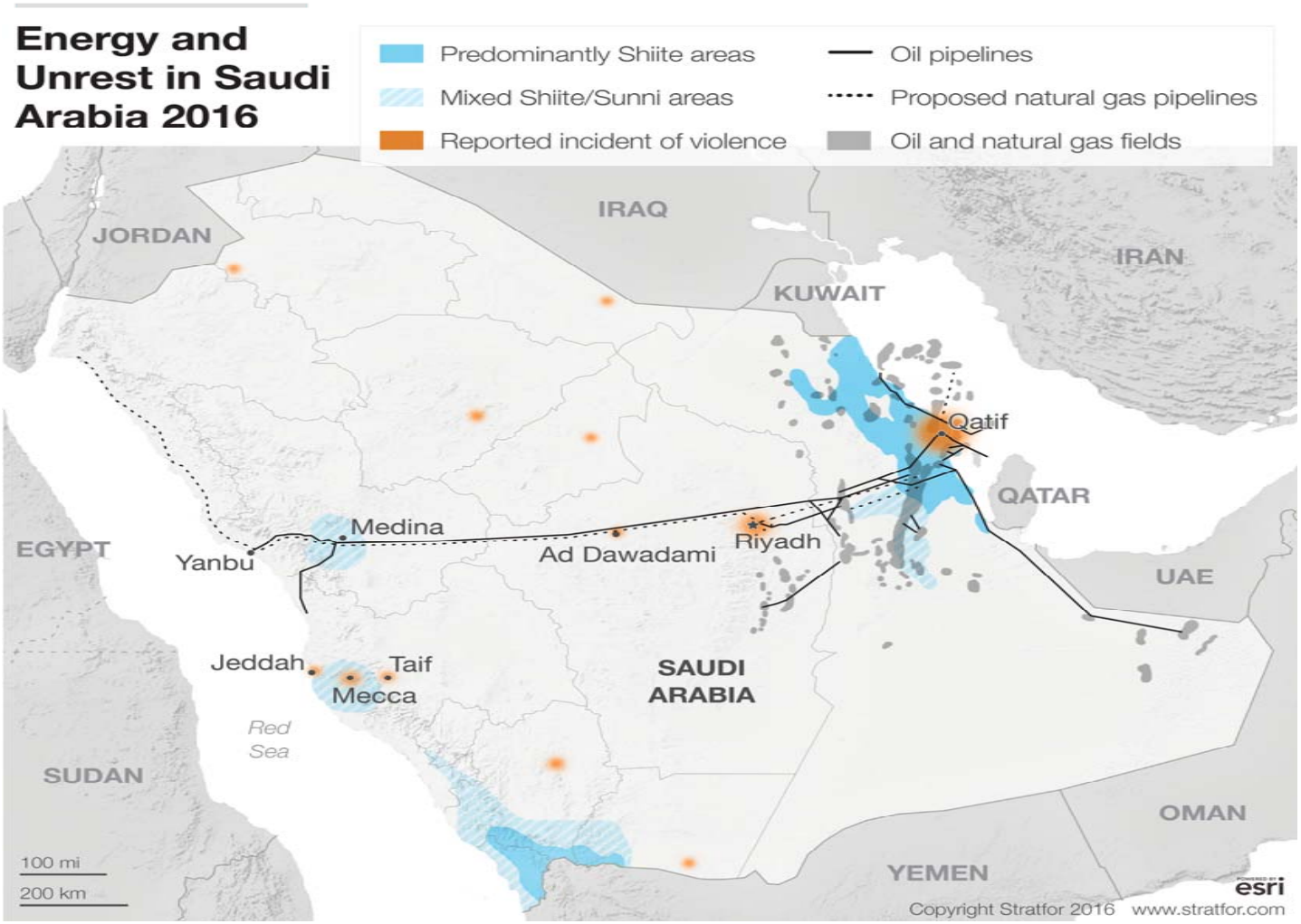
Saudi Arabia Population 2016



Saudi Arabia Population 2035




Energy and Unrest in Saudi Arabia 2016
Predominantly Shiite areas
Mixed Shiite/Sunni areas
Reported incident of violence
Oil pipelines
Proposed natural gas pipelines
Oil and natural gas fields
IRAQ
JORDAN
IRAN
KUWAIT
Qatif
QATAR
Medina
EGYPT
Yanbu
Ad Dawadami
Riyadh
UAE
Jeddah
Taif
Mecca
SAUDI ARABIA
Red Sea
SUDAN
OMAN
YEMEN
100 mi
200 km
esri
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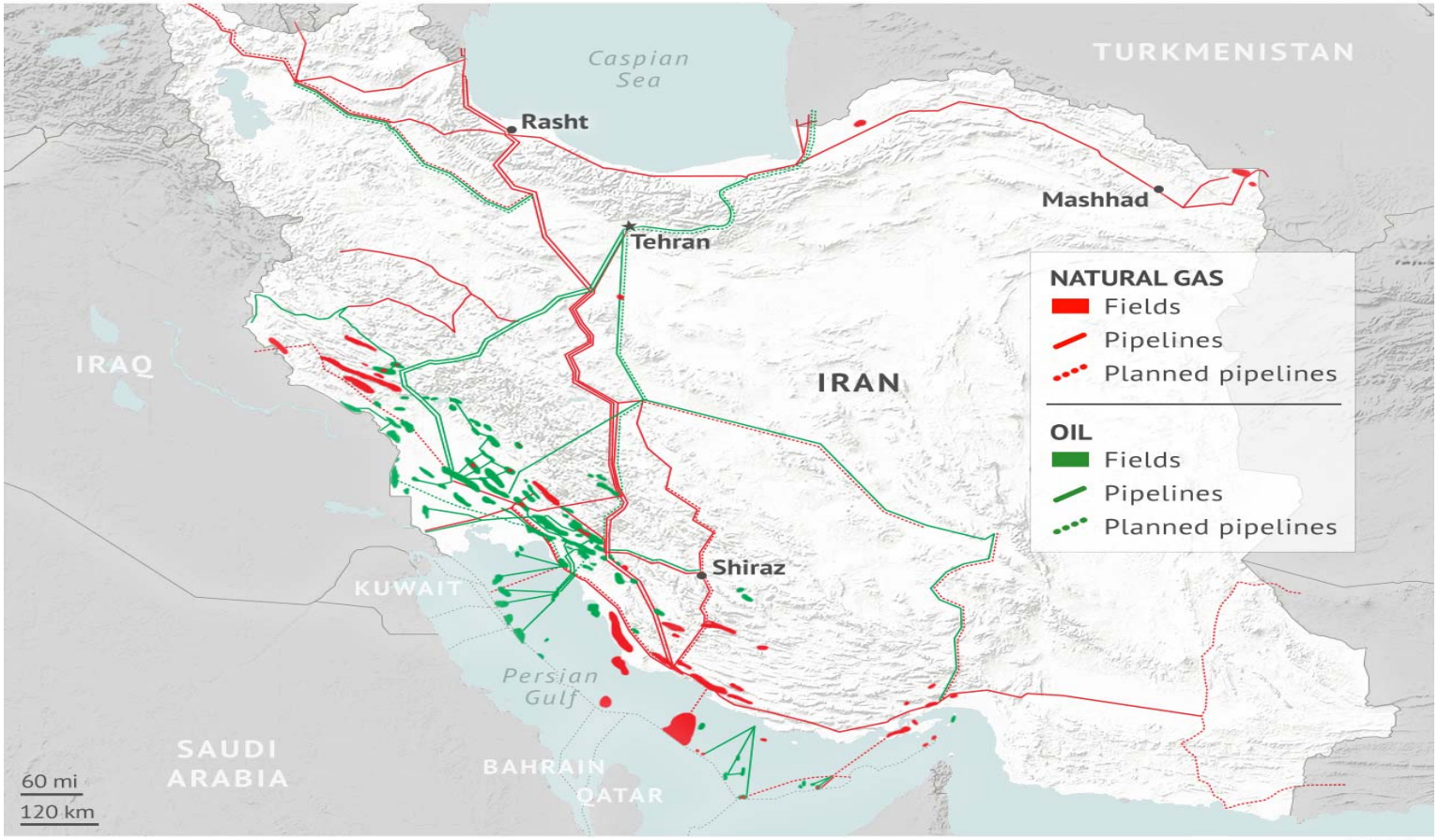
IRAN'S OIL AND NATURAL GAS



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CONTACT STRATFOR

EMAIL
business@stratfor.com

ADDRESS
P.O. BOX 92529
Austin, Texas 78709

PHONE
+1 (512) 744-4300