

# Petroleum Engineering, Oil and Gas

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## Oil-price challenges and its effect on future oil-gas projects

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In recent years crude oil price have been changed from rapidly impacts its production of petroleum products downstream. As a result of hike in petroleum products, consumer commodities and all other price can increase which depends by petroleum. Oil is very important to generate electricity and industrial purpose. Demand for crude oil is very high in non OPEC countries like India, china due to the growing consumption. Because of volatility in oil prices the country can affect economically, transportation price increase leads increase in commodities, the industrial raw materials and regular essential process happening on daily basis. The industrially developed countries have huge demand on oil. However, the volatility of crude oil price is because of many reasons, some of the most common reasons were demand and process technology. The hike of crude oil price may have impact of development of existing and newly discovered oilfields in terms of asset management. OPEC (the Organization of Petroleum Exporting Countries) has greater influence in crude oil price.

Demand of crude oil is increasing all over the world; demand mainly depends on the factors of population, economic, industrial needs of the country. Alternative source of energy such as coal, nuclear power generation, solar are more expensive, this leads to demand in crude oil. For instance, crude oil consumption in India and united states and top most consumers is higher due to their industrial usage and more number of consumers. Most of the oil consumers in the list are not belonging to OPEC. Transportation sector is becoming the largest among industrial, residential and commercial sectors, which has increase the demand for crude oil in recent years. Vehicles used for personal purpose made by combustion engines have increase the growth of demand in petroleum. The demand of crude oil in 2010 is 86.0 million barrel per day but it has been increased to 96.0 million per day in 2017. International energy agency expecting the growth of demand in Asian and developing countries will be increase.

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