

Post 18th July 2015

Despite missing the June 30 deadline, the agreement with Iran did go through two weeks later. So, what possible effects can this development have on the oil scenario?

1. Iran, OPEC's 4th largest oil producer has been eagerly waiting for the sanctions to be lifted. Unconfirmed reports do say that it has already accumulated several million barrels of oil on floating barges that can be immediately dispatched. The increase in production from its fields can happen later.
2. The Iranian oil exports will add to the surplus oil in the world market, and hence lower the price further. As the American oil companies are not allowed to export crude oil since the ban imposed by the government in the 1970s, they are forced to sell it at discounted prices, which puts them at a disadvantage. The American companies can however export the refined products such as petrol, diesel and jet fuel to buyer countries.
3. There have been layoffs in many oil and gas companies since the last 7 months, due to the lower price of the barrel, and the consequent slow down as a result. The oil producing states/provinces in the US and Canada respectively have been affected more as the drilling activity has declined. With more oil being added to already saturated market, the price of the barrel could plummet and the drilling activity could slow down further, which can trigger more layoffs. The energy sector, will see more merger and acquisitions, which can lead to more layoffs.
4. Of course, the low price of the barrel has led to more North Americans driving longer distances. As I had stated in my earlier posts, the low prices are good for the oil importing countries like India and China.
5. Though not a fallout of the Iran agreement, but I may still add here that the first US EIA reports received this month have projected a 91,000 b/d decline in the shale oil production in the US for July. This was seen as coming, but had not been seen till now. We will witness this by the end of July 2015.

So much for the sanction repercussions, let me also touch on something different.

When I travel around giving my courses, on the last day the participants usually expect some kind of advice from me, and what I usually tell them is in the words of the Russian novelist, Maxim Gorky (1868-1936), as I have followed that advice myself for the last many years. Though I admit I have not read Gorky's works, long back somewhere I came across his quote which read as follows:

*When work is a pleasure, life is a joy,
When work is a duty, life is slavery.*

If you just free up your mind from other things, and ponder over what his words mean, you will appreciate them. We should enjoy whatever we are doing, only then we be able to do a good

job. A good job done brings value for our employers and that should be satisfaction enough. More so such good work done day after day builds up for you as well. I have seen people who like to remain at work only for the time they are supposed to be and are looking at their watches in the evening to make a dash out. Work for these individuals is a duty. They have to get their salary, but I doubt if they really enjoy doing what they are doing. When you start enjoying your work, then it decides what is a good time to leave for home each day. I am not suggesting that we should devote excessively more time to our work and neglect our families. A good work-home balance is required there undoubtedly, but what is being discussed/suggested is the way one derives pleasure out of one's work.

Just like a teacher in a classroom can make each lesson a welcome experience, it is up to each individual to see how he/she can derive pleasure from his/her work. Trust me, if you are able to accomplish this, you will start asking yourself each evening, what is it that I did during the day that is making me satisfied and happy. In fact you may even start planning your next day as well. By and by this becomes a habit and then there is no looking back.

Now you can turn around and say, 'it is easier said than done, as my job is monotonous and there is nothing I can do to make it interesting.' Well, that is where the challenge is and it cannot be insurmountable. Isn't it? All you need is the right attitude, and the right dose of inspiration and will-power. Remember what Vincent Lombardi (American football player, coach and executive) said: *'The difference between a successful person and others is not a lack of strength, not a lack of knowledge, but a lack of will.'*

Now it is your turn to share your thoughts. I will look for them in this space.

Till next week, stay well and happy!