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Gulf News – 24 April 2018

as reported by Bloomberg

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ABU DHABI

Abu Dhabi National Oil Co. hired Philippe Khoury, formerly an energy banker at HSBC Holdings Plc, to head up its new unit for trading crude oil and refined products.

Khoury, who was one of the HSBC bankers working on the potential initial public offering of Saudi Aramco, also previously worked for French oil giant Total's trading business.

He was HSBC's vice chairman of global banking for the Middle East after serving as vice chairman for the bank's oil and gas, natural resources group in London, according to his LinkedIn profile.

State-owned Adnoc is bolstering its capacity to buy and sell crude and fuels as it expands oil-production and refining capacity and looks to buy crude-processing plants abroad, Adnoc said in a statement yesterday.

'Critical role'

"As Adnoc grows and expands its upstream and downstream businesses," UAE Minister of State and Adnoc CEO Sultan Al Jaber said in the statement, trading "will play an even more critical role."

The new unit will help to "maximise value from our domestic and, over time, international downstream operations."

Middle Eastern energy producers from Oman to Saudi Arabia and Iraq are expanding trading of both products and crude to claw back some of the profit traders like Vitol Group and Glencore Plc earn

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Now they want to do more refining and petrochemicals to add value to their main export. By trading their oil and refined products, these companies hope to squeeze more money from each barrel they produce.

The regional trend toward trading began with Oman, the biggest Arab oil producer that's not a member of the Organisation of Petroleum Exporting Countries.

Oman formed a trading company with Vitol in 2006, then bought out its partner in 2015.

Saudi Arabia's state oil giant, Saudi Aramco, started a trading unit in 2012 and currently trades between 3.3 million to 3.6 million barrels of products and oil a day, Aramco Trading CEO Ebrahim Al Buainain said in an interview in Abu Dhabi.

The unit targets increasing that to 6 million barrels a day by 2020 as the kingdom opens new refineries in Malaysia and Saudi Arabia, he said.

—Bloomberg