

Post 11<sup>th</sup> July 2015

As round-up of some of the news this week, the following seem to have made headlines:

1. The rout of the Chinese stock market and the financial crisis in Greece have signaled that there will not be any increase in the demand for oil in the near term. This may drive the price of oil somewhat lower. Had the Iran nuclear deal not missed the June deadline, it would have contributed further, but didn't. As I have said before, the global oil supplies have remained persistent and may result in the oil price dipping soon. Unless somehow there is a surge in the demand for oil in the near term and sustains itself, the oil price may slide and gradually dip to the Goldman Sachs \$45 predicted price.
2. As per a new HIS research report, the Canadian oil sands production growth will continue, despite the low oil prices. The oil sand production reached 1.2 mb/d in 2014 and is likely to touch 2 mb/d by 2020. Since 2005 Canada has held the rank of the 3<sup>rd</sup> largest source of supply growth in the world. Some of the factors contributing to this growth are the large scale of the resource (3<sup>rd</sup> largest source of proven reserves in the world), its location in a politically stable country, proximity to the world's largest economy (US), and the openness to private capital in Canada. Though the low oil process have resulted in slower pace of construction and delay in some key projects, yet this slow growth coupled with the existing projects where significant capital investments had been made, will result in an overall growth. Not to forget, the environmental concerns seem to hinder growth. The pipeline capacity future being uncertain, the price Canada fetches for its oil from the oil sands is somewhat discounted. Pipeline transportation is less expensive and is preferred by both the producers and the refiners.
3. As I mentioned in my last post, an Energy Partnership Forum was hosted by OVL in Calgary last week. The Indian state-owned oil companies are exploring business opportunities for lifting Canadian crude, or other JV business in the Canadian upstream sector. This is in line with their effort to reduce their dependence on the Middle East.

On another note, I was reading an article recently about some of the successful entrepreneurs in India and the world at large. In fact it started when I was in Denver last month. After finishing up work on my presentation that evening, I switched on the TV in my hotel room. After flipping through the channels, I settled on one which was showing a show called 'American Genius'. They were showing how Bill Gates and Steve Jobs rose to the peaks of their business careers. It was very interesting, and so I started reading about more successful business people. Besides having an aggressive drive for achieving their objectives and the hunger they have for being successful, what I have found interesting is the one trait they all have in common: '*never give up*'. They have had their share of lows in their lives, but every time they have gotten up, dusted themselves up all by themselves, and kept trying harder.

The examples of successful entrepreneurs, some I knew from before and some I found, are (Indians) Dhirubhai Ambani, Ghansham Das Birla, Ardeshir Godrej, Jamshedji Tata, Kailash Chandra Mahindra, Verghese Kurian and Lakshmi Mittal. And this list includes the successors of these families or business houses; and (Americans) Bill gates (Microsoft), Steve Jobs (Apple), Jeff Bezos (Amazon), Howard Schultz (Starbucks), Larry Page (Google), Mark Zukerberg (Facebook), Oprah Winfrey (TV shows). These lists only include some prominent names, and is by no means complete. So please spare me your wrath if I have missed out on some big names. All these people have been dreamers, visionaries and implementers. Their lives are inspiring experiences and we should learn from them in whatever way we can. If you get an opportunity, I suggest you read about their life histories. It's fun knowing about them.

Did I sound like a preacher here? I didn't mean to.

Till next week, stay well and happy!