

# EXPORT

# ANALYTICA

POWERED BY **COUNCIL of SLOVAK EXPORTERS**

## QUARTERLY INSIGHT

### Q1/2026



# EXPORT ANALYTICA

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### FUTURE OF OIL

#### EXECUTIVE SUMMARY

- Global oil production and consumption exceed 100 mb/d, led by the US and Middle East, with geopolitical factors increasingly shaping market stability and trade flows.
- The EU remains strongly dependent on oil imports, while recent geopolitical shifts have accelerated diversification away from Russian supplies toward alternative partners.
- Oil vulnerability has declined across the EU, driven by improved supplier diversification and reduced dependence on dominant exporters, especially in Central and Eastern Europe.
- Slovakia continues to face high energy intensity and reliance on limited import routes, increasing exposure to supply disruptions.
- While geopolitical tensions drive short-term volatility, long-term trends such as electrification, energy transition, and EV adoption are expected to reduce oil demand and may lead to oversupply.



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# GLOBAL PICTURE



## WORLD OIL PRODUCTION, CONSUMPTION AND TRADE

According to the US Energy Information Administration (EIA), **World oil production** (crude oil, NGPL, and other liquids production) rose from approximately 85.2 million barrels per day to about 101.0 million barrels per day between 2010–2024.

The largest oil-producing countries in 2024 include the US (21.7%), Saudi Arabia (around 11.0%), Russia (10.5%), Canada (5.9%), Iraq (4.3%), China (5.0%), and the UAE (4.2%). The US remains the dominant producer, largely due to the expansion of shale oil production, which has significantly increased North American output over the past decade.

Regionally, the Middle East remains the most significant oil-producing region, accounting for about one-third of global supply, driven by countries such as Saudi Arabia, Iraq, and the UAE. North America is the second-largest hub and has experienced substantial production growth, while Europe shows relatively limited production.

**Global petroleum consumption** increased by 15.5% from 88.9 to 102.6 million barrels per day between 2010 and 2024. A significant disruption occurred in 2020, when global demand dropped due to the COVID-19 pandemic, which led to major reductions in transportation, industrial production, and international travel.

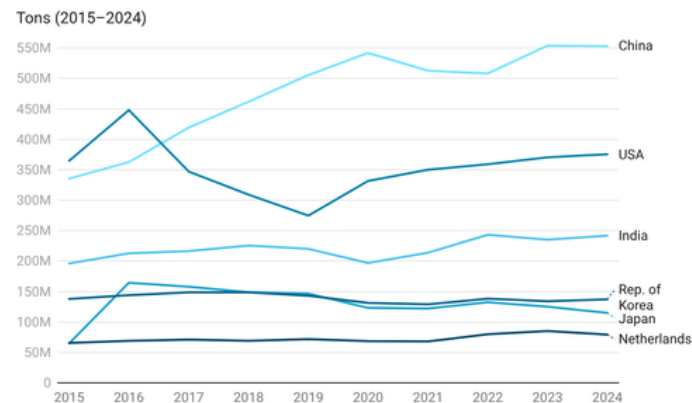
The largest oil-consuming countries in 2024 were the US (20.5 million bpd) and China (16.4 million bpd), which together account for more than one-third of global oil demand (35.9% combined share).

Regionally, the Asia-Pacific region shows the strongest growth. China and India are the dominant drivers. In Europe, the trend is clearly downward. All major Western European economies registered declines.

## OIL IMPORT

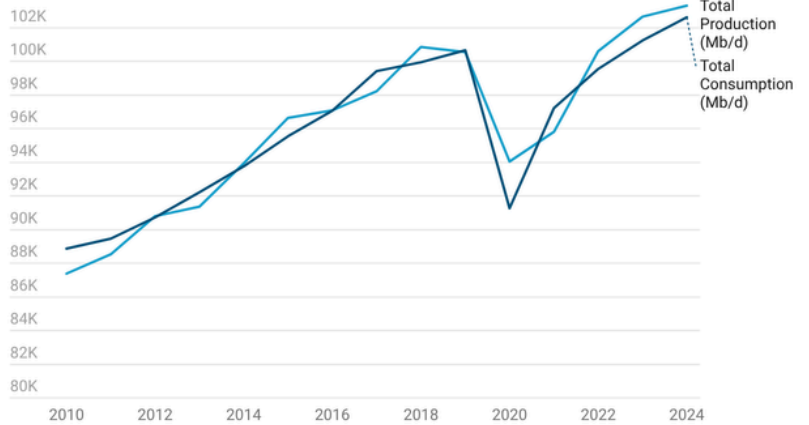
Asia has been the primary engine of global import growth between 2015 and 2024, driven by China, Japan, India, and Malaysia. Significant increases were also observed in Canada, the Netherlands, and the US, each recording gains of over 10 million tonnes (Mt). In contrast, several countries experienced structural declines in imports. Australia's imports fell by 43%, South Africa's 58%. Egypt and Israel saw sharper declines (-70% and -87%), driven by energy self-sufficiency. By 2024, the five largest importers were China, the US, India, the Republic of Korea, and Japan, all exceeding 100 Mt.

### Top Countries by Volume of Oil Imports



HS 2709 - Petroleum oils and oils obtained from bituminous minerals, crude  
Source: UN COMTRADE • Created with Datawrapper

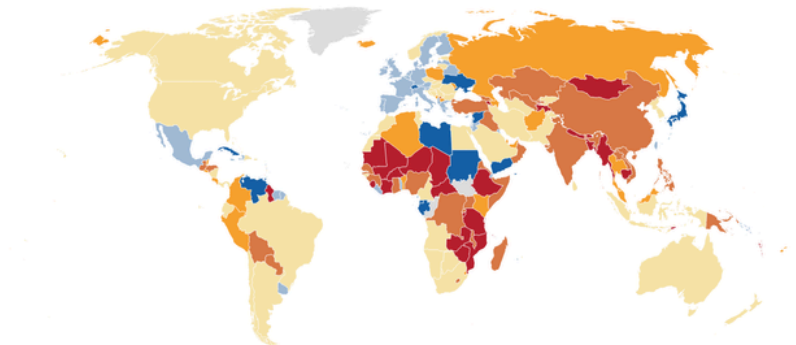
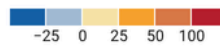
## World oil production and consumption



World oil production (crude oil, NGPL, and other liquids production), Global petroleum and other liquids consumption  
Source: U.S. Energy Information Administration (EIA) • Created with Datawrapper

## Petroleum consumption

Change 2010-2024 (%)



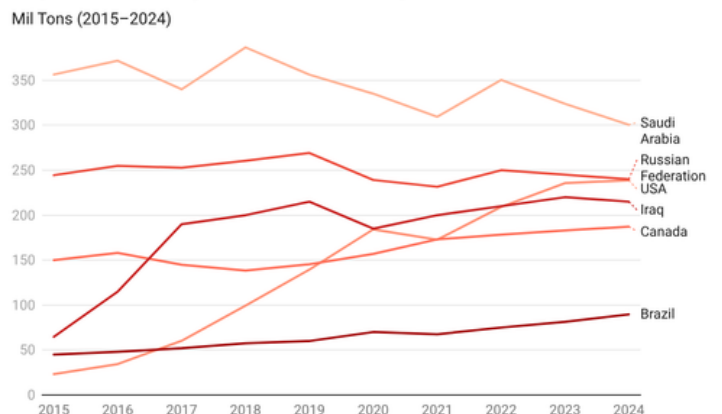
Note: Petroleum and other liquids consumption

Source: DATA: U.S. Energy Information Administration (EIA), Created by EXPORT ANALYTICA • Created with Datawrapper

## OIL EXPORT

Global oil export relative growth between 2015 and 2024 was driven mainly by the US, Iraq, Canada, Brazil, and emerging producers such as Guyana. The US recorded the largest increase, expanding exports by over 200 Mt, followed by Iraq. Canada and Brazil showed steady gains. In contrast, Angola's exports declined by over 40%, while Mexico and Colombia experienced moderate decreases due to declining production. By 2024, the five largest exporters were Saudi Arabia, Russia, the United States and Iraq all exceeding 200 Mt.

### Top Countries by Volume of Oil Exports



HS 2709 - Petroleum oils and oils obtained from bituminous minerals, crude  
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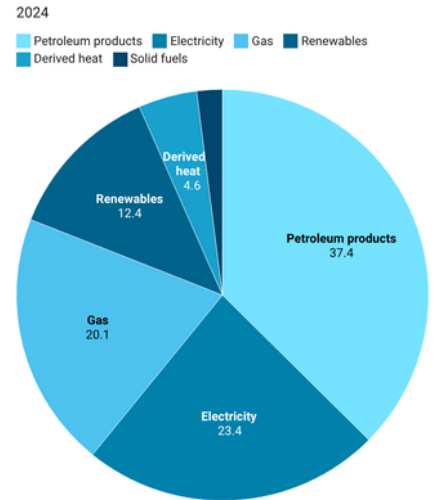


# EU CONTEXT



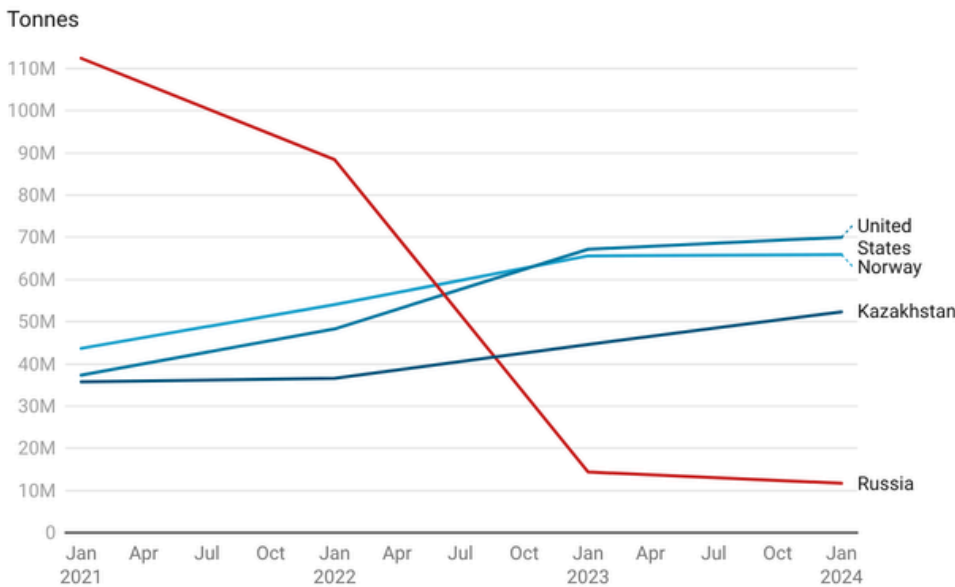
Traditionally, crude oil and petroleum products have played a major role in the **EU energy mix**. Although both indigenous crude oil production and crude oil imports have declined since the early 2000s, crude oil and petroleum products still accounted for the largest share of the EU's energy mix in 2024, representing 38%, ahead of natural gas (21%), renewables (20%), nuclear energy (12%), and solid fuels (10%), according to the latest Eurostat summary. At the same time, oil and petroleum products represented the same share in EU total final energy consumption.

## Energy products in total final energy consumption



Source: EUROSTAT • Created with Datawrapper

## Change in EU crude oil imports (2021-2024)



Source: EUROSTAT • Created with Datawrapper

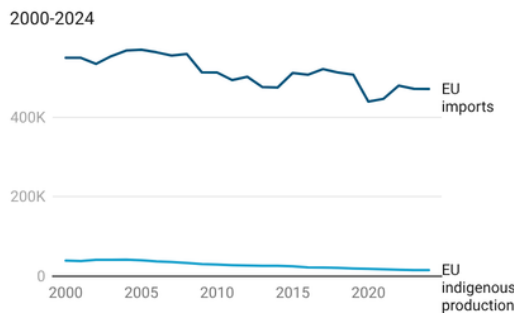
In general, **EU produces less than half of its own energy** (in 2024 the EU produced 43%, while 57% was imported). Only around 3% of EU's primary energy production comes from crude oil and EU is heavily dependent on oil imports.

The **production of crude oil in the EU** has been in long term decrease since it peaked in 2004 at 41,7 million tonnes (Mt) until 2023 when it reached its lowest point at 15.45 (Mt), to increase just slightly in 2024 to 15,50 Mt. The top oil producers in the EU in 2024 were Italy (4.37 Mt), Denmark (2.96 Mt), and Romania (2.76 Mt). The EU candidate countries have some production of crude oil, however on a rather small scale - totaling 6.77 Mt in 2024, mostly in Türkiye (5,31 Mt). On the contrary, UK after Brexit became one of the top-10 partners of EU imports (20,61 Mt).

The share of **indigenous production** of crude oil represents just a **small fraction of total EU crude oil supply** – it has fallen from more than 6% in the 1990s to current cca 3%.

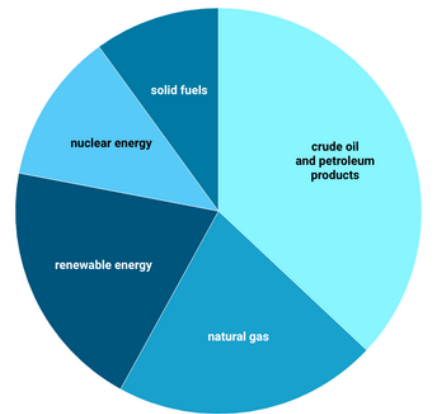
**Crude oil imports** to the EU peaked in 1998 at 573,3 Mt and decreased to 471,3 Mt in 2024. More importantly, geopolitical developments have significantly reshaped the overall picture of imports recently. Following Russia's invasion of Ukraine, the European Commission implemented the REPowerEU plan in May 2022, to reduce its dependency on Russian fossil fuels.

## EU Crude Oil Supply



Source: EUROSTAT • Created with Datawrapper

## EU's Energy Mix



Source: EUROSTAT • Created with Datawrapper

## EU TOP 10 crude oil EU import partners in 2024 (Mt)

United States	70
Norway	66
Kazakhstan	52
Saudi Arabia	35
Libya	34
Iraq	29
Nigeria	26
Brazil	22
United Kingdom	21
Azerbaijan	19

Created with Datawrapper

As a result, EU imports of oil and petroleum products from Russia declined by 89.6%, from 112.45 Mt in 2021 to 11.7 Mt in 2024, and are projected to be fully phased out by the end of 2027. In the EU, only Hungary and Slovakia still import Russian crude oil. This decrease in Russian imports was compensated by increased imports mostly from the US (+87,4% increase between 2021-2024), Norway (+50,8%) and Kazakhstan (+46,4%).

# OIL VULNERABILITY

## OIL VULNERABILITY INDEX

Between 2016 and 2024, the Oil Vulnerability Index decreased in most EU countries, indicating an overall improvement in oil supply security. This reflects structural changes in the energy system, including diversification of oil suppliers, reduced dependence on dominant exporters, and gradual reductions in oil intensity within national economies. Particular improvement was reached in Central and Eastern Europe. The largest reductions in oil vulnerability occurred in Slovakia (-0.266) and Bulgaria (-0.264), followed by Poland (-0.173) and Finland (-0.153).

These countries show substantial decreases in the Herfindahl-Hirschman supplier concentration index ( $\Delta HH$ ), indicating a push for diversification of oil import sources. Historically, many of these states relied heavily on a limited number of suppliers, especially Russian crude oil. The reductions, therefore, suggest efforts to diversify supply routes and partners, particularly after geopolitical disruptions and EU energy security policies implemented in recent years.

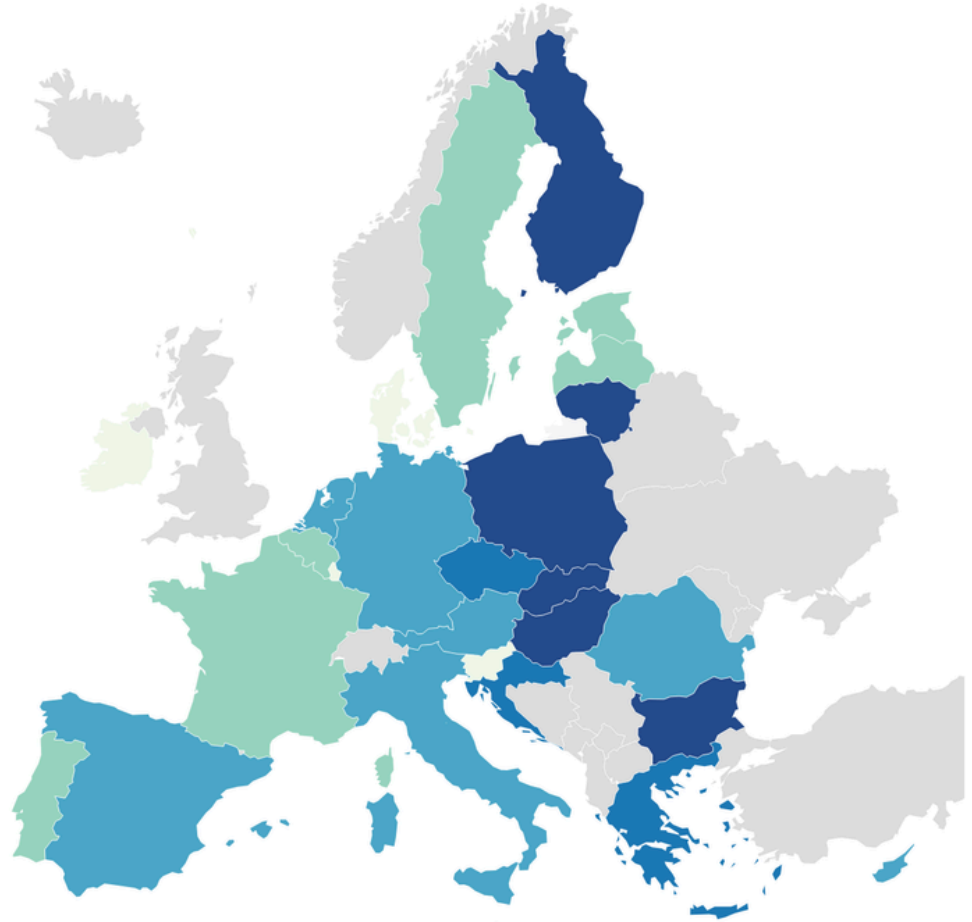
The significant improvement in Slovakia's Vulnerability Index does not primarily reflect a fundamental transformation in the structure of current oil imports, but rather stems from the exceptionally high baseline observed in 2016. At that time, Slovakia was almost entirely dependent on a single supplier (Russia), resulting in a near-maximum score in the Market Concentration Index (HH). By 2024, although Russian oil still accounted for approximately 60% of imports, the emergence and actual utilization of alternative supply routes, particularly via the Adria pipeline, have contributed to a measurable reduction in supplier concentration.

A second group of countries experienced moderate improvements, including Czechia (-0.086), Greece (-0.081), and Croatia (-0.066). In these cases, the decline in vulnerability was driven not only by improved supplier diversity but also by reductions in oil intensity. This might reflect increased energy efficiency and gradual shifts toward alternative energy sources, which are related to structural changes in transport systems and broader energy transition policies.

In contrast, Western European countries show only small decreases in vulnerability, as they had relatively diversified oil supply systems at the beginning of the observed period, leaving less room for dramatic improvement. Denmark and Ireland recorded very slight increases in vulnerability (+0.002). In Denmark, the increase is linked to declining domestic oil production, which slightly raised import dependence. Ireland's small increase reflects a temporary rise in supplier concentration, despite improvements in efficiency.

## The Oil Vulnerability

Index Change (2016-2024)



*The index is a multidimensional composite model based on the methodological framework of Gupta (2008) and Gnansounou (2008). It is calculated as the product of four normalized sub-indicators: Import Dependency, Supply Concentration, Market Concentration, and Oil Intensity. Import Dependency measures the extent to which a country relies on net oil imports to meet domestic demand. Supply Concentration evaluates the exposure to suppliers from outside the EU, while Market Concentration, expressed through the Herfindahl-Hirschman Index, captures the diversity of suppliers, with higher values indicating stronger dominance by a single source. Oil Intensity measures the number of barrels of oil required to generate a unit of GDP, reflecting how efficiently the economy uses oil. By combining these components multiplicatively, the index captures the overall level of vulnerability within a country's oil supply system. A declining value of the index signals greater resilience, typically resulting from more diversified supply sources, reduced supplier monopolies, and improved energy efficiency relative to economic output.*

Map: EXPORT ANALYTICA • Source: Data from Eurostat • Created with Datawrapper

# SLOVAKIA

## OIL DISRUPTION 2026

Slovakia is 38% more **energy-intensive** than the EU average, which, combined with its strong reliance on imported energy and limited diversification of oil supply routes, makes it particularly vulnerable to geopolitical shocks, leading to potential supply disruptions and higher oil prices

In 2026, the combination of disruptions to oil supplies from the Druzhba pipeline, conflict in the Middle East (rising energy prices), and failed tests on the Adria pipeline increases the vulnerability of the Slovak economy.

To address these risks, it is essential to focus on diversifying energy supplies, investing in renewable energy sources, supporting nuclear energy, developing energy storage, reducing dependence on fossil fuels, and strengthening energy cooperation within the EU.

Developments:

- **Agreement** from March 2026 - Slovakia and Hungary will build a new product pipeline that will connect the Slovnaft refinery in Bratislava with the Duna refinery in Százhalombatta. The pipeline will be used to transport petroleum products, especially gasoline and diesel with capacity of approximately 1.5 million tons per year. The pipeline will be about 127 kilometers long, and its completion is planned for the first half of 2027.
- Czechia **offered** Slovakia oil supplies via the Druzhba reverse flow pipeline—tens of thousands of tons annually, rising to 2–3 million tons per year within 2–3 years.
- Slovakia will not take part in the IEA's March crude oil release.
- MOL Group and Slovnaft **filed** a complaint with the European Commission over alleged pricing abuse on the Croatian section of the Adria pipeline.

## ROUTES AND CAPACITY

Slovakia has access to two oil pipelines: Southern Druzhba and Adria. The plans for the Slovakia–Austria oil pipeline were cancelled in 2024.

### Southern Druzhba

- Capacity: 16–20 million tons per year
- Flow in 2025: 9.7 million tons (50% of capacity), a 10-year low
- In 2025, Slovakia received 4.9 million tons and Hungary received 4.35 million tons
- Czechia **ceased** importing Russian oil in April 2025

Route: Russia – Belarus – Ukraine – Slovakia (Ruská) – Czechia

### Adria

- Capacity: 11 to 15 million tons
- No more than 2 million tons have ever been transported
- Tests showed approximately 11.8 million tons per year

Route: Croatian port of Omišalj – Hungary – Slovakia (Tešmak)



## THE FUTURE OF OIL: WILL OVERSUPPLY REPLACE THE CURRENT SUPPLY SHOCK?

The 2026 war involving Iran and the wider Middle East has triggered an **unprecedented oil-market disruption**, with some reports describing it as the largest supply shock on record.

Before the war, oil flow through the Hormuz Strait averaged 20 million barrels per day (mb/d), or the equivalent of about one fifth of global oil and petroleum products consumption. As a consequence of transit interruption, limited bypass options and storage filling up, a substantial volume of Gulf oil supply was shut in.

The most notable **measures to compensate the supply shock** included the decision of the IEA Member countries on 11 March to make 400 million barrels of oil from their emergency reserves available to the market and the 30 day waiver of US sanctions authorizing the delivery and sale of Russian-origin crude oil and petroleum products that were already loaded on vessels as of 12 March.

The key question remains the **length** and the **intensity** of the conflict in the Middle East, which will determine the size of the resulting production and transit disruption.

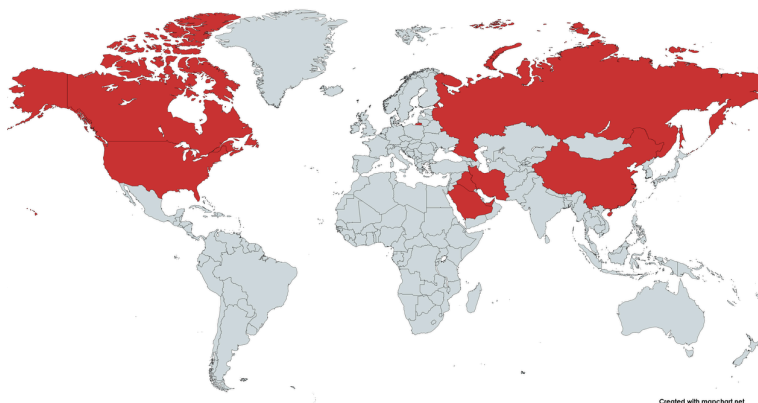
However, beyond the war, the **outlook suggests a different picture**.

Before the Iran war, the global oil market has been according to the IEA in significant surplus since the start of 2025. Ahead of the military actions that began on 28 February, it also expected global oil supply to exceed demand in 2026. OPEC's own outlook suggested a more broadly balanced, though comfortably supplied, market.

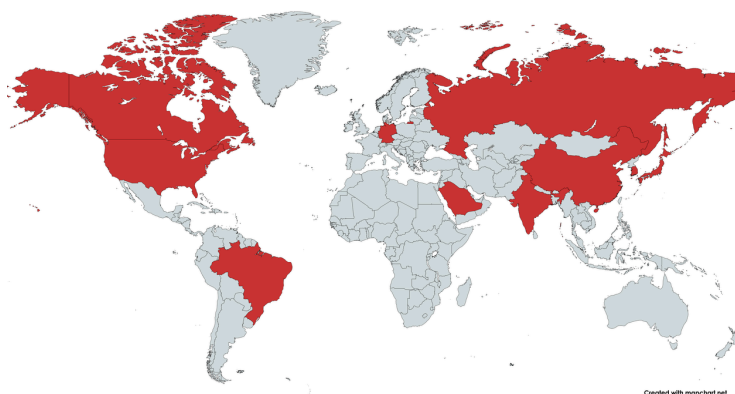
There are several possible drivers of change that could change the mid- to longer term role of oil in the global energy:

- **Geopolitics** is currently the key driver causing the supply shock on oil market, but the geopolitics could also be the very driver that could significantly reverse this situation – deescalation in the Middle East, followed by recovery of production and transit; peace in Ukraine followed by lifting of sanctions concerning Russian oil or the revitalisation and further development of the world's largest crude oil reserves in Venezuela could in mid to long term result in oversupply on the global market .
- The 21<sup>st</sup> century is expected to become an **age of electricity**, determining both the supply side – growth of electricity focused resources (renewables, nuclear) as well as the demand side (new technologies heavily dependent on electricity). This is the field where oil plays an increasingly diminishing role – oil's share of global electricity generation fell from about one-quarter in the early 1970s to around 2–3% today.
- Growth in **electromobility** could also significantly hit oil demand as transport is the largest oil-consuming sector. BloombergNEF's Electric Vehicles Outlook expected in 2025, a 25% jump in EV sales from 2024, as the cost of lithium-ion batteries falls and production of more affordable EV models ramps up. The IEA reports that EV adoption displaced over 1.3 mb/d of oil in 2024, and if the trend continues, EVs could displace more than 5 mb/d by 2030.
- **Green policies** – Net Zero Scenarios aligned with the 1.5°C goal envisaged oil demand to peak before 2030 and decline significantly by 2050. Even if current policy trajectories, under which the competitiveness of economies is prioritised, may suggest and adjustment of these estimates, it is highly likely, that a push towards the reduction of fossil fuels will continue both due to environmental and geopolitical considerations.

### TOP World Oil Producers in 2024



### TOP World Oil Consumers in 2024



- **Energy efficiency** is an important part of these effort: according to Eurostat, in 2024, primary energy consumption in the EU reached 1 202 million tonnes of oil equivalent (Mtoe), a 0.8% decrease compared with 2023. Data show that in 2024, the EU continued moving closer to the 2030 target of 992.5 Mtoe, with the gap narrowing to 21.1%.