



UNIVERSITY OF NICOSIA

ΠΑΝΕΠΙΣΤΗΜΙΟ ΛΕΥΚΩΣΙΑΣ

University of Nicosia, Cyprus

Course Code OGAS-315	Course Title The International Oil and Gas Markets	ECTS Credits 6
Department School of Business	Semester Spring	Prerequisites None
Type of Course Elective	Field Oil, Gas & Environmental Management	Language of Instruction English
Level of Course 3 ^d Cycle	Year of Study 3 ^d	Lecturer(s) Dr Theodoros Tsakiris
Mode of Delivery face-to-face	Work Placement N/A	Co-requisites None

Objectives of the Course:

To provide the student with a comprehensive understanding of the structure, functioning and dynamics of the international oil and gas markets and the associated economic and political risks.

Learning Outcomes:

On completion of this module, students are expected to be able to:

1. Analyze the structure of the international oil markets and in particular the role of OPEC and the different types of major non-OPEC producers.
2. Analyze the structure of the international natural gas markets and their regional differences between North America, Europe and Asia.
3. Comprehend the dynamics shaping the international price of oil and its development costs along the entire value chain (upstream, midstream, downstream).
4. Comprehend the dynamics shaping the prices of natural gas among various regions and the development cost of natural gas along the entire value chain (upstream, midstream, downstream) with a particular emphasis on the use of gas in the electricity sector.
5. Understand the concept and typology of an Oil Crisis and evaluate the effectiveness of existing crisis management mechanisms.
6. Understand the concept and typology of a Natural Gas Crisis and evaluate the effectiveness of existing crisis management mechanisms.
7. Critically assess the strategies of the major multinational oil companies and their role in the international oil system by drawing on specific case studies.
8. Critically assess the strategies of the major multinational energy companies and their role in

the international gas markets by drawing on specific case studies.

9. Evaluate the strategies of the major national oil companies and their role in the international oil system by drawing on specific case studies.
10. Evaluate the strategies of the major national energy companies and their role in the international gas markets by drawing on specific case studies.

Course Content:

The economic and political parameters of oil price formation. The structure and evolution of the international oil market: Prices, Contracts, and Stock Exchanges. The difference between the real and “paper” barrel. The emergence and role of OPEC. The Balance between OPEC and non-OPEC producers. The emergence and role of the International Energy Agency and the significance of JODI (Joint Oil Data Initiative). The concept of an oil crisis: Types, Risks, Triggers and Management Mechanisms from the 1950s to the 2010s. The Oil Policies of Major Exporting States and their National Oil Companies (NOC): Saudi Arabia, Russia, Iran, Norway and the U.A.E. The Oil Policies of the Major Multinational Energy Companies: From the Legend of the “Seven Sisters” to the modern interdependent realities (B.P. Shell, Exxon/Mobil, Chevron Texaco, Total, ENI). The Oil Policies of Major Importing States: Taxation, Regulation, Subsidies and Demand Substitution in the U.S., Japan, China, Britain, France and Germany. The role of the independent oil traders and the technical services companies.

The economic and political parameters of natural gas price formation. The structure and evolution of the international gas markets: Prices, Contracts, and the LNG (Liquefied Natural Gas) Factor. The emergence and role of the Gas Exporting Countries Forum Organization and the Cartelization Dynamics of the LNG industry. The interdependence between the natural gas and electricity industries. The concept of a Natural Gas Crisis: Types, Risks, Triggers and Management Mechanisms. The Gas Policies of Major Exporting States and their National Oil Companies (NOC): Russia, Qatar, Norway and Algeria. The Natural Gas Policies of the Major Multinational Energy Companies: B.P. Shell, Exxon/Mobil, Chevron Texaco, Total, ENI. The Gas Policies of Major Importing States: Taxation, Regulation, Subsidies and Demand Substitution in the U.S., Japan, China, the EU and the Middle East

Teaching Methods:

Module is delivered by lectures and seminars and power point presentations, case studies, interactive group work and supervised self-study.

The module is also taught by on-line learning materials, seminars, tutorial support, discussion forums and directed self study.

Assessment Methods:

Weekly exercises	30%
Assignment	30%
Final Exam	40%

Required Textbooks:

Authors	Title	Publisher	Year	ISBN
Øystein Noreng	<i>Crude Power: Politics, Economics and the Oil Market</i>	I.B. Tauris	2006	
Deanne Julius & Afsaneh Mashayekhi	<i>The Economics of Natural Gas: Pricing, Planning & Policy</i>	Oxford University Press	1994	Deanne Julius & Afsaneh Mashayekhi

Recommended Textbooks / Reading:

I.E.A., *World Energy Outlook 2008: Special Oil Report: Prospects on Oil & Gas Production*, Paris, (OECD/IEA: 2008)

Toyin Falola & Ann Genova, *The Politics of the Global Oil Industry*, (Praeger: 2006).

John Mitchell, Koji Morita, Norman Shelley, Jonathan Stern, *The New Economy of Oil: Impacts on Business, Geopolitics and Society*, Royal Institute of International Affairs, (London: 2001)

Steven Schneider, *The Oil Price Revolution*, Baltimore, (The Johns Hopkins University Press: 1983)

Vivek Chandra, *Fundamentals of Natural Gas: An International Perspective*, (PennWell: 2006)

I.E.A., *World Energy Outlook 2009: Prospects for Natural Gas*, Paris, (I.E.A.: 2009)

David Victor & Amy Jaffe (eds.), *Natural Gas & Geopolitics: From 1970 to 2040*, (Cambridge University Press: 2006)

Simon Pirani, Jonathan Stern & Katja Yafimava, *The Russo-Ukrainian Gas Dispute of January 2009: A Comprehensive Assessment*, Oxford Institute for Energy Studies, (February 2009).

Websites:

Organization of Petroleum Exporting Countries (<http://www.opec.org>)

International Energy Agency (<http://www.iea.org>)

European Commission, General Directorate for Energy

U.S. Department of Energy, Energy Information Administration (<http://www.eia.doe.gov>)

International Energy Agency (<http://www.iea.org>)