

Abstract

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An analysis of 2016 oil crisis: winners and losers in the oil supply chains

Oil industry is considered one of the strategic industries that shaping the trend in the global supply chain. Changes in oil prices can lead to a significant impact on the different players in the oil supply chain, particularly where the oil cost presents a considerable amount of the total production and trading costs. Since the second half of 2014, oil prices witnessed a downturn phase which continued and reached its peak in 2016, resulting in a mixed impact on the global supply chain, however, the negative impact was faster and more severe. Still the main causes of the crisis and its impact on the oil supply chain are still open questions worth further investigation. This paper provides an analysis of 2016 oil crisis and its impact on the oil supply chain. The paper demonstrated the evolution of oil market and the volatility the market witnessed since 1948. The main drivers impacting the oil supply chain were identified, providing an insight about the causes of 2016 oil crisis. Simulation model, followed by focus group were conducted to identify the impact of the crisis on the different players in the oil supply chain, as well as to provide future directions to deal with the crisis for both winners and losers in the oil supply chain