

In the first nine months of 2020, oil royalties fell by 21 %, primarily due to declining oil prices said Director General of the National Agency for Mineral Resources (ANRM) Sorin Gal.

Speaking at the oil and gas conference, Gal said that the drop was especially massive in March and April, amounting to 60 %. But things have settled in the meantime and oil is now set over 40 dollars, which could be seen as acceptable. However, bigger drop in royalties is expected next year, even if the price picks up because production will go down. There have been huge delays in exploration programs that will be reflected by a delay in the payment. Most of those who were exploring, due to delays in convening committees that approve various permits, have postponed their seismic works and the programs are delayed. Therefore, 2020 will have a great influence and impact in the coming years.

He added that at the level of the oil and gas industry, the decline was almost normal, influenced on the one hand by the decrease in demand during the state of emergency, and on the other hand by the investments made in the last 4-5 years, which helped maintain the natural decline in the industry of 5-7 %.