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## **OPEC OIL OUTPUT RISES IN MARCH AS IRAN, IRAQ GROWTH OFFSETS OUTAGES**

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Reuters, 30 March 2016

OPEC oil output is rising in March, a Reuters survey found, as higher supply from Iran after the lifting of sanctions and near-record exports from southern Iraq offset maintenance and outages in smaller producers.

The survey also found no major change in production in top exporter Saudi Arabia - another sign that Riyadh is serious about freezing output to support prices, which hit a 12-year low near \$27 (19 pounds) a barrel in January but have since recovered to \$40. Producers are meeting on April 17 in Qatar to discuss the plan.

"The production freeze has put a floor under the price," said Carsten Fritsch, analyst at Commerzbank. "We see a risk of a short-term setback if the meeting produces a disappointment."

Supply from the Organization of the Petroleum Exporting Countries has risen in March to 32.47 million bpd from 32.37 million bpd in February, according to the survey, based on shipping data and information from sources at oil companies, OPEC and consultants.

The biggest rise came from Iran following the lifting of Western sanctions in January. Tehran, which wants to recover market share it lost under sanctions, has said it will not take part in the production freeze.

Iran has increased output by 230,000 bpd since December, according to Reuters surveys. Iranian officials say the increase in supplies is much larger.

Iraq, OPEC's largest source of supply growth in 2015, managed to raise output. An increase in southern exports to what may be a new record in March offset disruption to flows along a pipeline carrying oil from the Kurdish region.

Angolan exports rose. In countries where output has fallen, the drop was the result of outages and maintenance rather than voluntary restraint.

Output declined in the United Arab Emirates, where work on oilfields that produce Murban crude is curbing production. The maintenance will not be completed until April.

There was a further decline in Nigeria due to a whole month of disruption to the Forcados crude stream operated by Royal Dutch Shell's (RDSa.L) local venture, but this was partially offset by higher supply of other grades.

Libyan output, already at a fraction of rates seen before the country's civil war, fell due to a power outage. Supply in Venezuela edged lower.

Saudi Arabia kept output steady compared with February, sources in the survey said, citing stable to slightly lower exports in March. Saudi production was assessed at 10.18 million bpd versus 10.20 million in February.

OPEC production has surged since the group in November 2014 abandoned its historic role of cutting supply alone to prop up prices, in the hope that lower prices would curb the growth of more costly-to-develop competing supply sources.

The extra OPEC crude added to a global glut, and this year's output freeze agreement represents the first cooperation on supply policy between OPEC and non-OPEC since 2001.

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Kaynak/Source: