
IRAQ SEES NOW AS 'RIGHT TIME' FOR OPEC DEAL ON OIL OUTPUT

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Now is the right time for OPEC to reach an agreement on oil output, and crude prices may fall if its members fail to take a decision when they meet next week in Algiers, Iraqs governor to the producer group said.

Conditions in the oil market are better than in April when members of the Organization of Petroleum Exporting Countries tried without success to strike a deal with other producers, including Russia, to stabilize markets, Falah Al-Amri said at an energy event in Fujairah in the United Arab Emirates. Countries including Iran have boosted output and reached their targets, and current oil prices are not good for producers, he said.

This is the right time for an agreement, Al-Amri said. Crude is unlikely to rise above \$50 a barrel unless OPEC reduces production, he said.

OPECs 14 members will hold talks on Sept. 28 in Algiers to address a global supply glut that led prices to drop by more than half from their 2014 peak. They may discuss proposals to cap production along with Russia and other countries outside the group. The planned talks signal that OPEC may reconsider a Saudi-led policy the group adopted in 2014 that lets members boost output to defend their market share. Benchmark Brent crude was 1.6 percent higher at \$47.57 a barrel at 4:51 p.m. in Dubai.

Gradual Increase

Iraq wont participate in any action that will reduce prices, and it wont flood the market, said Al-Amri, who is also the director general of the countrys Oil Marketing Co., known as SOMO. The nation pumped 4.775 million barrels a day in January, a modest increase from its output in 1979 of 3.8 million, he said.

Iraq, OPECs second-biggest producer after Saudi Arabia, is selling all of its current production of 850,000 barrels a day of Basrah Heavy grade crude, and it needs to pump more to meet existing customer demand, he said. It will continue increasing output gradually and quietly, Al-Amri said, without specifying a target.

OPECs last attempt to reach a deal, which also involved Russia, the largest non-OPEC producer, fell apart in Doha in mid-April when Saudi Arabia insisted that Iran also had to freeze production. Iran had refused because it was just starting to revive exports after the end of international sanctions.

Irans Tankers

Iran is exporting 2.3 million to 2.4 million barrels a day of oil, and National Iranian Tanker Co. is seeking to regain its share of the oil-shipping market, the state-run companys Commercial Director Nasrollah Sardashti said at the event in Fujairah.

Saudi Arabia and Iran met Wednesday, along with fellow OPEC member Qatar, at the groups headquarters in Vienna, according to three people familiar with the matter. They were making preparations for the informal discussions planned in Algiers, the people said, asking not to be identified because the talks were private.

Russian oil companies could trim output by up to 5 percent, an amount that could influence the market, RIA Novosti reported, citing Deputy Energy Minister Kirill Molodtsov. Russian Energy Minister Alexander Novak said no such reduction is under discussion, according to Interfax.

Russia has produced about 11.09 million barrels a day in September, the highest monthly average since the Soviet era, and it pumped about 11.18 million on Tuesday, Energy Ministry data show.

Kaynak/Source: