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## KAZAKHSTAN NOT BACKING OUT OF OPEC PRODUCTION CUT DEAL

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Oil Price (12 July 2017)

Kazakhstan is standing by its commitment to stick to the OPEC/non-OPEC agreement for production cuts, Kazakhstans Energy Minister Kanat Bozumbayev said on Wednesday, reiterating the official Kazakh position that the country does not want out of the deal despite media reports to the contrary.

Kazakhstan is part of the 11 non-OPEC nations that joined OPECs collective production cuts deal, pledging to collectively cut a total 558,000 bpd of crude oil production, which includes a commitment from Russia to cut 300,000 bpd.

Kazakhstan [ ] vowed to take 20,000 bpd off its output [ ] not have been the most willing country before the cuts were extended, but its energy minister said in May that it was important for the country that Brent prices do not drop below US\$50, so they would discuss the possibilities.

Kazakhstan is still seeking to increase production at its giant fields, especially Kashagan, which after years of delays and setbacks, resumed commercial-scale production in October 2016 at a rate of 90,000 bpd. In January, the company operating the field said that it was ramping up production to 180,000 bpd.

This past weekend, Russias TASS agency reported that Kazakhstan was preparing for a gradual withdrawal from the production cut pact.

But today, Minister Bozumbayev said, after dismissing the reports of withdrawal, as quoted by the Kazakh telegraph agency KazTAG:

Due to these agreements we were exporting our oil for \$52 price per barrel in the first quarter. For comparison: prior to these agreements, in 2016, first quarter, oil price was \$32.

Kazakhstans Energy Ministry issued a statement late on Monday, saying that the country once again confirms its commitment to stick to the agreement, and will continue to stick to the deal. There has not been any proposal for further extension or change to partners quotas, the ministry said, adding that this question is not under consideration right now.

Referring to the upcoming Joint OPEC-Non-OPEC Ministerial Monitoring Committee (JMMC) meeting in Russia on July 24, Algerias Energy Minister Mustapha Guitouni said that no decisions would be made at the meeting, which will only discuss the state of the oil market.

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Kaynak/Source: