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Fareed Rahman

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ABU DHABI

BY FAREED RAHMAN

Senior Reporter

Energy Minister Suhail Al Mazroui said yesterday the global oil market is still being balanced, but Opec is targeting the right level of inventories for market stability.

“The market is still in the process of being balanced, but the question is what is the right level of inventories? The market still needs some time and the job is not complete,” he told reporters on the sidelines of the Middle East Petroleum and Gas Conference in Abu Dhabi. Al Mazroui is currently Opec’s president.

He also said the committee (Joint Ministerial Monitoring Committee) which met in Jeddah last week concluded that some technical work needs to be done to reach a fair level of inventories for the long run.

“To what inventory level we need to target, the conclusion from the meeting in Jeddah is that we need to target fair and sustainable inventory levels. The committee has chartered technical teams and experts to work and come back to us on what is the right inventory for the market stability.”

Production cuts

Opec and non-Opec member countries are cutting production by about 1.8 million barrels a day to help lower global oil inventories and prop up oil prices. The deal which came into effect early last year will continue till the end of 2018.

Speaking on the agreement, he said it is for the whole year and the participating countries have done a remarkable job in conforming to the deal.

“Joint ministerial monitoring committee had concluded remarkable conformity of almost 150 per cent by Opec and non-Opec. No one had ever thought this alliance is going to last when the prices go north of \$60 (Dh220). The group has demonstrated that they are serious and they are committed.

“The conformity level of 2018 is significantly above what we got in 2017.”