

Monday, 8 April 2019 Gulf Business

UAE SAYS CHANGING OIL TRADING CURRENCY FROM DOLLAR CAN'T BE DONE OVERNIGHT

Saudi Arabia is threatening to sell its oil in currencies other than the dollar



The United Arab Emirates' energy minister said on Monday that the use of the U.S. dollar as the main oil trading currency could not be changed overnight.

"Trading with the U.S. dollar is something you don't change overnight ... Let's not jump into some of those ideas," Suhail bin Mohammed al-Mazroui said when asked about the possibility that OPEC members may move away from trading oil in dollars.

Saudi Arabia is threatening to sell its oil in currencies other than the dollar if Washington passes a bill exposing OPEC members to U.S. antitrust lawsuits, three sources familiar with Saudi energy policy told Reuters last week.

"OPEC did not say that, OPEC did not claim that they will change the currency in the trading and I have no views on the doability of that," Mazroui said at an energy conference in Dubai.

He added that compliance with a supply-cutting agreement between the Organization of the Petroleum Exporting Countries and non-OPEC members, an alliance known as OPEC+, was expected to be good in April.

"OPEC and its allies are achieving balance in the oil market ... OPEC and OPEC+ will always do whatever (is) necessary to achieve that balance in the market," the minister said.

On whether OPEC+ would extend the production cuts for three months or more and whether Russia would be part of that decision, Mazroui said: "It is not one country's prediction or decision ... OPEC is unanimous and non-OPEC is also unanimous."

"We will do always the right decision for the market."

Russia is a reluctant participant in its agreement with OPEC to withhold output, and it may increase production if the deal is not extended before it expires on July 1, Energy Minister Alexander Novak said on Friday.

OPEC and other producers led by Russia agreed to cut their combined oil production by 1.2 million barrels per day for six months from Jan. 1 this year, an extension of cuts that were first implemented from January 2017.

The participants in the deal will meet in Vienna in June to decide on any further action.