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KUWAIT PLANS TO BACK EXTENSION OF OPEC-LED CUTS IF WARRANTED

Claudia Carpenter

Kuwait will back an extension of OPEC-led production cuts beyond June if it's clear supply and demand factors warrant it, Haitham al-Ghais, Kuwait Petroleum Corp's manager for market research and the country's OPEC governor, said on Monday.

"There are many moving parts and elements in the equation that we need to closely monitor, both on the demand side and the supply side," Ghais said on the sidelines of the Middle East Petroleum & Gas Conference in Dubai.

In terms of macroeconomic factors potentially impacting demand, Ghais mentioned the possibility of a hard Brexit – the UK leaving the European Union without a withdrawal deal – along with uncertainty about the outcome of the China-US trade talks.

On the supply side, escalating military tensions in Libya and uncertainty around US sanctions on OPEC members Iran and Venezuela cloud the outlook, he said.

"The situation in Venezuela is very tense and the situation in Libya is escalation so we don't know what's going to be the outcome there," Ghais said.

"And on the demand side, we don't know what the implications are on demand if the China-US trade war doesn't get resolved. These are things that I think will be more clear by the time of the May JMMC [Joint Ministerial Monitoring Committee] meeting in Jeddah, and hopefully even clearer by the time we meet in June."

"For us as a group of producers, both OPEC and non-OPEC, we want to make decisions based on hard facts. We don't want to make any decisions based on speculation."

The JMMC – which oversees the OPEC/non-OPEC deal – is set to meet next on May 19 in Jeddah, Saudi Arabia, after the cancellation of an extraordinary meeting scheduled for April 17-18 at which OPEC had originally hoped to announce any cut extension.

OPEC is set to meet on June 25 in Vienna to discuss extending the agreement to cut output by 1.2 million b/d beyond the end of June, followed by a meeting the next day with the non-OPEC signatories.

The current agreement exempts Venezuela, Iran and Libya from output reductions.