

OPEC in its own words

John Kemp
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2018

“There is no such thing as a target price by Saudi Arabia. We’re seeing many regions [production] declining. The only way to offset this is for the financial markets to start financing and funding upstream projects. I don’t know what is the price that will provide that equilibrium. All we know is in 2018 we’re still not seeing that.” *Saudi Energy Minister Khalid al-Falib, 11 April 2018*

“We will know what will be the good price when the market is balanced and we have enough investments. We need to have more investments coming” *UAE Energy Minister Suhail al-Mazroui, 11 April 2018*

“There is a clear recovery in oil prices. But it has not been met with an increase in investments ... Investment has been very low. My concern is that medium- to long-term demand is met comfortably. Investors are still cautious and over-conservative ... I would see the need to keep the [OPEC cooperation] momentum ... We need to restore investments. It could take months” *Qatar Energy Minister Mohammed al-Sada, April 5*

“If we have to err on over-balancing the market a little bit, so be it. Rather than quitting too early and finding out we were dealing with less reliable information ... stay the course and make sure that inventories are where the industry needs them.” *Saudi Energy Minister Khalid al-Falib, 14 Feb 2018*

“It is way too premature to discuss an exit strategy ... Do we need to adjust for rising demand and look at forward day cover? How do we deal with non-OECD inventory? (It’s) less transparent and reliable. We have to think of the global market, the centre of demand has shifted from OECD to non-OECD. We will discuss it in April and June ... I think we are going to be sticking with our policy throughout 2018 and that is necessary to balance markets” *Saudi Energy Minister Khalid al-Falib, 14 Feb 2018*

2017

“Almost the single metric that we look at is global inventories and of course the most transparent and trustworthy is the OECD inventories and it takes time to track these” *Saudi Energy Minister Khalid al-Falib, 20 Dec 2017*

“I think all producers – whether companies and countries – have benefited significantly from the course of action that we have taken and therefore they would benefit from continuing the course but not beyond reaching balance. I think once we reach balance we will need a gradual, deliberate, measured and thoughtful way of exiting and making sure that supply is always there for the rise in demand” *Saudi Energy Minister Khalid al-Falib, 20 Dec 2017*

“The feeling in OPEC is that \$60 should be the floor for oil prices next year”, *OPEC source familiar with Saudi thinking on its oil policy to Reuters, 1 Nov 2017*

2016

“It would have been stupid of Saudi Arabia to agree to a cut then [in 2014]. More non-OPEC production would have come [on the markets]. We had no choice” *former Saudi oil minister Ali al-Naimi, Lunch with the FT, 18 Nov. 2016*

“We don’t care about oil prices --- \$30 or \$70, they are all the same to us. This battle is not my battle. If they go up, that means more money for nonoil investments. If they go down, Saudi Arabia, as the world’s lowest-cost

producer, can expand in the growing Asian market”, *Saudi Deputy Crown Prince Mohammed bin Salman, 21 Apr 2016*

2014

“It is not in the interest of OPEC producers to cut their production, whatever the price is. Whether it goes down to \$20, \$40, \$50, \$60, it is irrelevant” *Saudi Oil Minister Ali al-Naimi, 22 Dec 2014*

2012

“We want a price around \$100, that’s what we want. A \$100 price is great” *Saudi Oil Minister Ali al-Naimi, 13 May 2012*

“I think high prices are unjustified today on a supply-demand basis. We really don’t understand why the prices are behaving the way they are. We are ready and willing to put more oil on the market, but you need a buyer” *Saudi Oil Minister Ali al-Naimi, 20 March 2012*

“Our wish and hope is we can stabilise this oil price and keep it at a level around \$100. If we were able as producers and consumers to average \$100 I think the world economy would be in better shape” *Saudi Oil Minister Ali al-Naimi, 16 January 2012*

2010

“Good demand, reliable supply, beautiful prices -- we are very happy” *Saudi Oil Minister Ali al-Naimi, 17 Mar 2010*

“While there has been improvement in the oil market outlook in recent months, there is still a long way to go before we can feel at ease with the situation ... The issue of exit strategies from stimulus packages of a year ago and the right timing of adjustment is becoming a key factor in the recovery of prices” *OPEC President and Ecuador Oil Minister Germanico Pinto, 17 Mar 2010*

2009

“Right now you see the price is okay between \$70 and \$80, it’s close to the target we set, it’s almost \$75 – it’s good” *Saudi Oil Minister Ali al-Naimi, 4 Dec 2009*

“I think this is very pragmatic, \$40-\$50 this is a pragmatic price for 2009,” *Qatar Oil Minister Abdullah al-Attiyah, 26 Apr 2009*

2008

“We can all live with \$70. With this price we can invest in upstream projects, but below that it will be very difficult” *Qatar Energy Minister Abdullah al-Attiyah, 30 Nov 2008*

“There is a good logic for \$75 a barrel. You know why? Because I believe \$75 is the price for the marginal producer. If the world needs supply from all sources, we need to protect the price for them. I think \$75 is a fair price” *Saudi Oil Minister Ali al-Naimi, 29 Nov 2008*

“We see the fair price of oil as \$75 per barrel”, *Saudi Arabia’s King Abdullah, 29 Nov 2008*

“I am convinced that the supply and demand balances and crude oil production levels are not the primary drivers of the current market situation and that markets are already well-supplied. A simplistic focus on supply expansion is therefore unlikely to tame the current price behaviour. But ... I also strongly believe that each of us must do what we can to alleviate these difficult conditions. For the remainder of this year, Saudi Arabia is prepared and willing to produce additional barrels of crude oil above and beyond the 9.7 million barrels per day which we plan to produce during the month of July” *Saudi Oil Minister Ali al-Naimi, 22 Jun 2008*

“If you take into account all the subsidies involved in the production of a barrel of biofuels, I doubt whether anyone could make money from that with a price lower than \$60 or \$70”. That level signalled a line “under which the level of prices could not go” ... “From now there’s a line below which prices won’t fall” which involves “the marginal cost of production of alternative fuels, whether that’s biofuels or tar sands” which had a threshold “between \$60 and \$70” *Saudi Oil Minister Ali al-Naimi, 2 Mar 2008*