
OPEC to boost output if supply short - Mr Attiyah

Saturday, 31 Oct, 2009

The Peninsula cited HE Abdullah bin Hamad Al Attiyah deputy PM and minister for energy and industry as saying that the Organization of the Petroleum Exporting Countries is ready to boost oil output if it sees a real shortage in supply.

He said that oil reached a year high of USD 82 per barrel last week on optimism of an economic recovery in the world's top consumer the US. If we see real shortage in the world, we will increase production to meet the shortage.

Mr Attiyah said that oil prices near USD 80 per barrel were unrelated to oil market fundamentals and had more to do with dollar weakness. The price has a strong correlation with the US dollar and no correlation to demand and supply. OPEC supplier of more than a third of the world's oil, next meets to discuss supply policy in December. The group has curbed its supply for over a year to match the sharpest fall in oil demand for nearly three decades due to the recession.

Some in the organization have since last week been raising the prospect of an output increase, a sign they are concerned the rallying oil price could hamper economic recovery. Mr Jose Botelho de Vasconcelos president of OPEC also Angola's oil minister, had said that the group would pump more at its next meeting on December 22nd 2009 to protect the global economic recovery should the price hit USD 100.

Mr Sheikh Ahmad Al Abdullah Al Sabah oil minister of Kuwait said that US crude hit a 2009 high of USD 82.00 last week and was trading near USD 79. He said that OPEC would need to meet if crude went to USD 100. Then we'd hold a special session and we'd decide.

(Sourced from the Peninsula)

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