
OPEC should hold output steady at December meeting - Mr Ghanem

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Mr Shokri Ghanem the head of Libya's National Oil Corporation said that OPEC should hold its oil output steady when it meets in December as current prices do not suggest the need to change supply. The Organization of the Petroleum Exporting Countries which pumps more than a third of the world's oil will meet in Angola on December 22nd 2009. Other member countries, such as Kuwait have also indicated OPEC may hold output steady.

Mr Ghanem said that "I don't think there is any reason that warrants us to take any decision. The market is well supplied with oil, it has more than enough."

Oil has rallied to around USD 79 per barrel from near USD 33 in December. But some analysts are cautious about the rally, seeing it as being driven by hopes of a recovering economy and dollar weakness, rather than stronger demand.

Mr Ghanem who returned to his position as head of NOC in October weeks after leaving the post for reasons that were never made clear, said that oil demand was a little bit sluggish. The market is still volatile there is no sign of stability. Prices are not high enough to take an action and not low enough to take an action. So unless in the next month something startling takes place, which I don't expect it will, no decision is the best decision."

OPEC has kept official output targets unchanged at meetings in 2009 after it agreed to curb supply by 4.2 million barrels per day of 2008 to prop up prices which tumbled as the recession eroded demand.

(Sourced from Reuters)

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