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PTT predicts slight uptick in oil price

Outlook based on global growth of 3.7%

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The Petrochemical and Refining Integrated Synergy Management (PRISM) unit of PTT Plc, the country's oil and gas conglomerate, has estimated an average Dubai oil price next year in a range of US\$52-57 per barrel amid the growing global economy.

That was slightly higher than the PRISM average oil price forecast of \$50-55 a barrel in 2017, which was based on the assumption of global economic growth of 3.6%.

PRISM released an analysis report yesterday that projects the global economy will grow 3.7% in 2018, led by the US, EU, China and India — all major global oil consumers that should lead to rising oil demand.

That could push global crude oil demand to be 1.4-1.5 million barrels per day (MMBD), while supply was expected to be 1.7-2.0 MMBD, according to the PRISM report.

Sukrit Surabotsopon, president of IRPC Plc, the petrochemical business arm of PTT Plc, said it also projects the same picture of a rising global economy and strong demand next year.

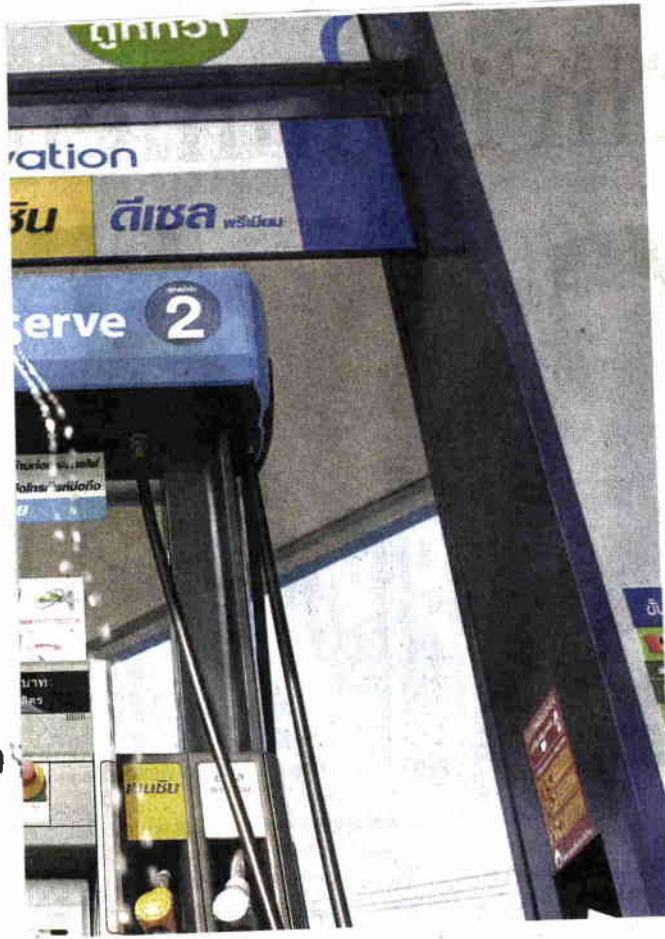
He said economic growth in developed countries would average 2%, while growth in the developing countries would be 4.9%.

Mr Sukrit said although Opec is scheduled to cut oil production further, a surplus of crude oil will remain between 1.7-2.9 MMBD that could prevent the price from rising sharply.

He said no matter the outcome of the Opec meeting on Nov 30, non-Opec countries are still seeking to cut costs for unconventional oil resources such as shale oil and oil sands in North America. That would mean a certain amount of oil surplus from

non-Opec countries next year.

The strong promotion of electric vehicles (EV) in several countries could still have a very small impact in cutting demand for oil at this early stage of EV development, said Mr Sukrit.



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A PTT employee shows how to dispense petrol at a self-serve station on Srinakarin Road. The company believes a surplus of reserves will prevent oil prices from rising too much next year. SOMCHAI POOMLARD

Auttapol Rerkpiboon, PTT's chief operating officer for downstream petroleum business, said PTT expects oil demand next year would grow by 1-2%, similar to its prediction of a 1.5% uptick this year. That would push the domestic retail oil price to rise slightly

next year, he said.

Mr Auttapol said PTT is keeping its plan to add 100 filling stations next year.

PTT shares closed unchanged yesterday on the SET at 420 baht in trade worth 1.23 billion baht.