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'Crucial period' for oil as Iran exports shrink: Energy Agency

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GLOBAL OIL output hit a record of 100 million barrels per day in August, but the market may tighten and prices rise as exports from Iran and Venezuela decline, the International Energy Agency said yesterday.

"We are entering a very crucial period for the oil market," the IEA said in its latest monthly report. "Things are tightening up."

The global record came as output from the Organisation of the Petroleum Exporting Countries (Opec) rose to a nine-month high of over 32 million barrels per day (mb/d).

The cartel had agreed in Vienna in June to push up production in order to put a cap on soaring prices.

In recent months, prices have wavered comfortably between the \$70 and \$80 (Bt2,286 and Bt2,612) per barrel on the Brent crude futures contract.

According to the IEA, a rebound in Libyan production, near-record Iraqi output and higher supply from Nigeria and Opec kingpin Saudi Arabia have so far managed to offset the impact of shrinking production from crisis-hit Venezuela and Iran.

But with the crisis in Venezuela showing no sign of abating, and with new US sanctions on Iran's oil industry set to come into force on November 4, other producers may have to ramp up production even further if they want to limit the impact on the market.

"It remains to be seen if other producers decide to increase their production. The price range for Brent of \$70-\$80/bbl in place since April could be tested," the IEA said.

In May, US President Donald Trump pulled the US out of the 2015 nuclear deal with Iran and said other countries must stop buying oil from Tehran or face American sanctions.

And hundreds of thousands of Venezuelans have fled their country since the nation became engulfed in a political crisis that has sent the economy into free fall.