

# DAILY ENERGY MARKETS FORUM

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### Is \$75 the new target price for OPEC Plus?

They have never set a target but if you can sell more barrels at a higher price, then why not? However, the lessons from the past tell us that if prices are exaggerated, we lose in the long run. At \$75, US shale will definitely come back - a lot of capital is already looking back into that and renewables also become far more competitive.

### What do you expect from OPEC's July 1st meeting, given demand?

They will start to open the taps. They have 5 to 6 million barrels of crude locked up in various countries so some of that will have to come back. They will probably add a million barrels to cool off the market and to address the balance - demand is recovering faster than anybody thought. And with some price forecasts now at \$80 or \$90, they're bound to open up a little more. Russia especially will insist. Kuwait also needs capital. We have 800,000 barrels of capacity and we are very keen to put some of that back into the market.

### Kuwait's GDP contracted 9.9% in 2020 - how challenged is the fiscal position?

The break-even price to balance the budget is \$79. But the main issue is the political standstill between government and parliament. The government is not able to pass legislation that is essential for cash flow management. We need to completely restructure things.

### Will the region invest in more capacity given these prices?

This region will not change its plans based on this or any cycle. Yes, there was some delay last year in the sanctioning of some projects, but it was not cancellation. We go through cycles; we don't move with them. The Saudis have said they want to go to 13 million bd and probably already have plans in place and the UAE is on a route to 5 million bd. ■

*\*Paraphrased comments*

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