

# DAILY ENERGY MARKETS FORUM

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# VIEWS YOU CAN USE

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### Producers like \$100 oil but it's not sustainable for our economies or the world.

However, I still don't foresee that OPEC Plus will make an alternative output plan to what they have today because they struggled to agree on this one. I don't know how successful they would be if they try to open it up again and try and change things. Also, in the back of their mind, OPEC probably doesn't see a real change in fundamentals since the agreement was made, viewing the current supply crunch as temporary.

### Are Gulf fiscal breakeven prices going to drop in 2022?

They're not and for the simple reason that budget costs for this region are going up. Populations are increasing, more people are coming to the job market and governments have to spend more on their economies in order to create those opportunities. No matter how much the oil price goes up, costs are increasing at the same time.

### Is the energy transition prompting OPEC to take high prices while they can?

To get to this transition world, we need to be growing oil and gas production for the next 20 years. At the same time, this region is very much committed to the transition, so we don't see a disconnect between the two paths. There is a versatile and large variety of products that can be produced from oil and gas and there will be demand for these as long as economies grow. In terms of the new energy landscape, Iraq is one country which can really contribute tremendously. It has added 3-4 gigawatts of solar and renewable power in just the past month so we should keep an eye on what's happening there. ■

*\*Paraphrased comments*

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