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The slowdown of the Chinese economy has been predictable for some time.

Whether COVID ends tonight or next year, China's growth is not going to be 11% or even 7% going forward. The oil price surge that began at the beginning around the year 2000, has been driven by the explosive growth in China. That's not going to happen again. That said, there will be incremental growth in oil demand globally for the next 20 years, regardless of any effort to transition away from hydrocarbons in Europe and the US. There's a lot of scope for growth in India and Africa and other places, so as far as Gulf OPEC producers go, they will be called upon to produce at least as much oil as they're producing today. They would not be investing in production capacity as they are, if they didn't believe that global demand was set to keep growing.

Direction for the US Dollar?

There is a lot of talk these days about the significant impact of 'financial imperialism' – that is, the abuse of the financial system by the West of the reserve currency status of the dollar and of the SWIFT system. The idea that there will be no alternatives to any of these, I think, is naïve and we are going to see a lot of people working hard to extricate themselves from the dollar and bodies such as the London Metals Exchange and Lloyds, and from this control in general that the West has exerted over the international financial system.

Outlook for US production in 2023?

It is at a higher level compared to what it was five years ago. The majors and some of the large independents have readjusted their business model. Both are giving back more money to their shareholders and the majors have also reconsidered their whole CAPEX strategy as they face the environmental movement. For small independents, however, there certainly doesn't seem to be any slowing down. There is a waiting list at the moment in the Permian for crews, drilling rigs etc., but this is a cyclical industry. ■

**Paraphrased Comments*

