

Algeria urges OPEC decision to stabilise oil price

The world's top oil producers "must take a decision" to stabilise prices, Algeria's energy minister said ahead of an OPEC meeting this week in Algiers.

Oil prices are already depressed after two years of oversupply amid deep disagreements between members of the Organisation of Petroleum Exporting Countries (OPEC).

Failing to agree on a production freeze could push prices even lower, Nouredine Boutarfa said.

"Every state in the organisation agrees on the need to stabilise prices, it just remains for us to find a format that pleases everyone. The best solution would be a (production) freeze," he said.



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Oil prices collapsed from peaks of more than \$100 a barrel in mid-2014 to near 13-year lows below \$30 in January.

As a result, OPEC members are losing between \$300- \$500m a day, Boutarfa said.

"No (oil) company will be able to withstand it if prices remain under \$50 a barrel."

Hopes of a deal to limit production pushed prices above \$46 a barrel last week, but they slid to \$44.48 on Friday as

investors' optimism waned. Venezuela and Iraq, which have been hard-hit by low prices, support the idea of a production freeze to boost prices.

But an attempt in April to reach a deal, led by OPEC linchpin Saudi Arabia, fell apart when its political arch-rival Iran refused to play ball. Iran said it needed to bring its production back up to the level it enjoyed prior to Western sanctions over its nuclear programme which have since been lifted.

Algeria's cordial ties with OPEC members across the board mean it is well-placed to push for a deal.

"We are able to bring together states with political differences around a single table," Boutarfa said.

OPEC's 12 member states produce around a third of the world's oil, and their production decisions have a global impact on prices. Boutarfa said Wednesday's summit would be a "first step" towards stability in the market.

"The Algiers meeting will not fail," he said.

"Either we reach an agreement, which would be good, or we reach an understanding on the elements of an agreement, and that would also be good."

Source: I-Net Bridge

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