

OPEC in its own words

John Kemp

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2021

“‘Drill, baby, drill’ is gone for ever,” said Prince Abdulaziz. “Shale companies are now more focused on dividends,” Prince Abdulaziz told Bloomberg News in an interview after the OPEC+ meeting, saying that the kingdom wished the American industry well. “We’ve never had any issue with shale oil. It’s the shale companies which are themselves changing. They have had their fair share of adventure and now they are listening to the call of their shareholders.” *Saudi Energy Minister Prince Abdulaziz bin Salman, 4 Mar 2021*

“We are in a much better place than we were a year ago, but I must warn, once again, against complacency. The uncertainty is very high, and we have to be extremely cautious. The scars from the events of last year should teach us caution. One of these lessons is the futility of trying to predict what is around the corner, and the best we can do is increase our preparedness and resilience, realizing that collective action is the best way to tackle the challenges ahead. And on the subject of predictability, this also applies to those who are trying to predict the next move of OPEC+. To those I say – don’t try to predict the unpredictable.” *Saudi Energy Minister Prince Abdulaziz bin Salman, 17 Feb 2021*

2020

“Anyone who thinks they will get a word from me on what we will do next, is absolutely living in a La La Land... I’m going to make sure whoever gambles on this market will be ouching like hell.” To those who want to short the oil market, Prince Abdulaziz had the following warning: “Make my day,” he said in an apparent reference to Hollywood star Clint Eastwood’s expression from the Dirty Harry neo-noir thriller, according to Reuters. *Saudi Energy Minister Prince Abdulaziz bin Salman, 17 Sep 2020*

“We want to expedite the process of returning back to normal ... demand is picking up. We want to make sure that we are helping to expedite the equilibrium between the supply and demand,” he told Reuters in a telephone interview. “We are taking a proactive role and we are encouraging others to do the same,” he said, adding that Riyadh’s deeper cuts are “not conditional or restricted to us alone”. *Saudi Energy Minister Prince Abdulaziz bin Salman, 11 May 2020*

“[Engaging in a price war] was an unwelcome departure from our end, but we had to because of a desire to capture some revenues versus sitting on our hands and doing nothing. As a long-term producer, we care more about a prosperous world economy that brings a prosperous level of demand. We are not engaged in any type of zero-sum game,” interview with Financial Times, *Saudi Energy Minister Prince Abdulaziz bin Salman, 14 Apr 2020*

“In a free market every producer needs to demonstrate its competitiveness, preserve and increase its market share. I fail to see the wisdom for holding meetings in May-June that would only demonstrate our failure in attending to what we should have done in a crisis like this and taking the necessary measures,” *Saudi Energy Minister Prince Abdulaziz bin Salman, 10 Mar 2020*

Saudi Arabia, the world’s top oil exporter, urged caution on Monday against “gloomy expectations” regarding the possible impact of the spread of the coronavirus on the global economy and oil demand. But Saudi Energy Minister Prince Abdulaziz bin Salman said the impact being seen on oil and other markets was “primarily driven by psychological factors and extremely negative expectations adopted by some market participants despite its very limited impact on global oil demand. “Such extreme pessimism occurred back in 2003 during the SARS

outbreak, though it did not cause a significant reduction in oil demand,” the minister said in a statement. Reuters. *Saudi Energy Minister Prince Abdulaziz bin Salman*, 26 Jan 2020

Fellow Gulf OPEC oil producer United Arab Emirates echoed the Saudi minister’s comments. “It is important that we do not exaggerate projections related to future decreases in oil demand due to events in China,” UAE Minister of Energy Suhail al-Mazrouei said. “OPEC and OPEC+ member countries will discuss market conditions (in March) and, if required, all options to ensure continued market balance,” he said. Reuters. *UAE Minister of Energy Suhail al-Mazrouei*, 26 Jan 2020

“We would like to have a stable oil market, sustainable growth in terms of demand, sustainable growth in terms of supply,” he said, adding that both high and low prices were undesirable. “The worst thing is to have low oil prices that permanently damage the industry.” *Saudi Energy Minister Prince Abdulaziz bin Salman*, 13 Jan 2020

2019

While all oil producers would like to increase output, Saudi Arabia would only do so when it saw global inventories fall, he said. Saudi Arabia would like to see stocks within the range of the last five years and the average of 2010-2014, he added. “The more we are inside this contour, the better...” he said, adding another indicator would be prompt oil prices moving higher than longer dated ones, known as backwardation, which reflects a tighter market. He said the steeper the structure was for later months, the better as it would indicate OPEC+ was doing a good job in destocking. Reuters interview with *Saudi Energy Minister Prince Abdulaziz bin Salman*, 6 Dec 2019

“It is critical that we don’t make hasty decisions – given the conflicting data, the complexity involved, and the evolving situation,” Falih said, describing the outlook as “quite foggy” due in part to a U.S.-China trade dispute. “But I want to assure you that our group has always done the right thing in the interests of both consumers and producers; and we will continue to do so,” he added. Reuters. *Saudi Energy Minister Khalid al-Falih*, 19 May 2019

“I am not sure there is a supply shortage, but we will look at the (market) analysis. We will definitely be responsive and the market will be supplied,” Falih said, when asked whether an increase in output was on the table due to oil shortage concerns. *Saudi Energy Minister Khalid al-Falih*, 18 May 2019

2018

“There is no such thing as a target price by Saudi Arabia. We’re seeing many regions [production] declining. The only way to offset this is for the financial markets to start financing and funding upstream projects. I don’t know what is the price that will provide that equilibrium. All we know is in 2018 we’re still not seeing that.” *Saudi Energy Minister Khalid al-Falih*, 11 April 2018

“We will know what will be the good price when the market is balanced and we have enough investments. We need to have more investments coming” *UAE Energy Minister Suhail al-Mazroui*, 11 April 2018

“There is a clear recovery in oil prices. But it has not been met with an increase in investments ... Investment has been very low. My concern is that medium- to long-term demand is met comfortably. Investors are still cautious and over-conservative ... I would see the need to keep the [OPEC cooperation] momentum ... We need to restore investments. It could take months” *Qatar Energy Minister Mohammed al-Sada*, April 5

“If we have to err on over-balancing the market a little bit, so be it. Rather than quitting too early and finding out we were dealing with less reliable information ... stay the course and make sure that inventories are where the industry needs them.” *Saudi Energy Minister Khalid al-Falih*, 14 Feb 2018

“It is way too premature to discuss an exit strategy ... Do we need to adjust for rising demand and look at forward day cover? How do we deal with non-OECD inventory? (It’s) less transparent and reliable. We have to think of the global market, the centre of demand has shifted from OECD to non-OECD. We will discuss it in April and June ... I think we are going to be sticking with our policy throughout 2018 and that is necessary to balance markets” *Saudi Energy Minister Khalid al-Falih, 14 Feb 2018*

2017

“Almost the single metric that we look at is global inventories and of course the most transparent and trustworthy is the OECD inventories and it takes time to track these” *Saudi Energy Minister Khalid al-Falih, 20 Dec 2017*

“I think all producers – whether companies and countries – have benefited significantly from the course of action that we have taken and therefore they would benefit from continuing the course but not beyond reaching balance. I think once we reach balance we will need a gradual, deliberate, measured and thoughtful way of exiting and making sure that supply is always there for the rise in demand” *Saudi Energy Minister Khalid al-Falih, 20 Dec 2017*

“The feeling in OPEC is that \$60 should be the floor for oil prices next year”, *OPEC source familiar with Saudi thinking on its oil policy to Reuters, 1 Nov 2017*

2016

“It would have been stupid of Saudi Arabia to agree to a cut then [in 2014]. More non-OPEC production would have come [on the markets]. We had no choice” *former Saudi oil minister Ali al-Naimi, Lunch with the FT, 18 Nov. 2016*

“We don’t care about oil prices --- \$30 or \$70, they are all the same to us. This battle is not my battle. If they go up, that means more money for nonoil investments. If they go down, Saudi Arabia, as the world’s lowest-cost producer, can expand in the growing Asian market”, *Saudi Deputy Crown Prince Mohammed bin Salman, 21 Apr 2016*

2014

“It is not in the interest of OPEC producers to cut their production, whatever the price is. Whether it goes down to \$20, \$40, \$50, \$60, it is irrelevant” *Saudi Oil Minister Ali al-Naimi, 22 Dec 2014*

2012

“We want a price around \$100, that’s what we want. A \$100 price is great” *Saudi Oil Minister Ali al-Naimi, 13 May 2012*

“We are seeing a prolonged period of high oil prices,” Naimi said in a statement during a visit to Seoul. “We are not happy about it. (The Kingdom of Saudi Arabia) is determined to see a lower price and is working towards that goal.” Naimi reiterated that there were no supply shortages in the global oil market and the kingdom stood ready to use its spare production capacity if necessary. “The story is one of plenty,” he said. “Supply is not the problem.” Saudi stockpiles at home and abroad were full, he added. Inventories in industrialized countries were also filling up, he said. Reuters. “Fundamentally the market remains balanced -- there is no lack of supply,” he said. *Saudi Oil Minister Ali al-Naimi, 13 April 2012*

“High international oil prices are bad news. Bad for Europe, bad for the US, bad for emerging economies and bad for the world’s poorest nations. A period of prolonged high prices is bad for all oil producing nations, including Saudi Arabia, and they are bad news for the energy industry more widely. ... Needless to say, Saudi Arabia does not control the price; it sells its crude oil according to international prices. But it remains the world’s largest producer, and the country with the greatest proven reserves, so it has a responsibility to do what

it can to mitigate prices. The bottom line is that Saudi Arabia would like to see a lower price. It would like to see a fair and reasonable price that will not hurt the global economic recovery, especially in emerging and developing countries, that will generate a good return for producing nations, and that will attract greater investment in the oil industry. ... Yet fundamentally the market remains balanced. It is the perceived potential shortage of oil keeping prices high – not the reality on the ground. There is no lack of supply. There is no demand which cannot be met. Total commercial stocks for OECD nations are within target, and there is at least 57 days forward cover, enough to handle almost any eventuality. So what can Saudi Arabia actually do? We want to correct the myth that there is, or could be, a shortage. It is an irrational fear, a fear without basis. Saudi oil minister in opinion piece contributed to Financial Times. *Saudi Oil Minister Ali al-Naimi, 28 March 2012*

“I think high prices are unjustified today on a supply-demand basis. We really don’t understand why the prices are behaving the way they are. We are ready and willing to put more oil on the market, but you need a buyer” *Saudi Oil Minister Ali al-Naimi, 20 March 2012*

“Our wish and hope is we can stabilise this oil price and keep it at a level around \$100. If we were able as producers and consumers to average \$100 I think the world economy would be in better shape” *Saudi Oil Minister Ali al-Naimi, 16 January 2012*

2011

Saudi Arabia’s Oil Minister Ali al-Naimi said the global “market is oversupplied” with crude even as the world’s largest oil producer cut output last month by more than 800,000 barrels a day. Bloomberg. *Saudi Oil Minister Ali al-Naimi, 17 April 2011*

2010

“Good demand, reliable supply, beautiful prices -- we are very happy” *Saudi Oil Minister Ali al-Naimi, 17 Mar 2010*

“While there has been improvement in the oil market outlook in recent months, there is still a long way to go before we can feel at ease with the situation ... The issue of exit strategies from stimulus packages of a year ago and the right timing of adjustment is becoming a key factor in the recovery of prices” *OPEC President and Ecuador Oil Minister Germanico Pinto, 17 Mar 2010*

2009

“Right now you see the price is okay between \$70 and \$80, it’s close to the target we set, it’s almost \$75 – it’s good” *Saudi Oil Minister Ali al-Naimi, 4 Dec 2009*

“I think this is very pragmatic, \$40-\$50 this is a pragmatic price for 2009,” *Qatar Oil Minister Abdullah al-Attiyah, 26 Apr 2009*

2008

“We can all live with \$70. With this price we can invest in upstream projects, but below that it will be very difficult” *Qatar Energy Minister Abdullah al-Attiyah, 30 Nov 2008*

“There is a good logic for \$75 a barrel. You know why? Because I believe \$75 is the price for the marginal producer. If the world needs supply from all sources, we need to protect the price for them. I think \$75 is a fair price” *Saudi Oil Minister Ali al-Naimi, 29 Nov 2008*

“We see the fair price of oil as \$75 per barrel”, *Saudi Arabia’s King Abdullah, 29 Nov 2008*

“I am convinced that the supply and demand balances and crude oil production levels are not the primary drivers of the current market situation and that markets are already well-supplied. A simplistic focus on supply expansion is therefore unlikely to tame the current price behaviour. But ... I also strongly believe that each of us must do what we can to alleviate these difficult conditions. For the remainder of this year, Saudi Arabia is prepared and willing to produce additional barrels of crude oil above and beyond the 9.7 million barrels per day which we plan to produce during the month of July” *Saudi Oil Minister Ali al-Naimi, 22 Jun 2008*

“If you take into account all the subsidies involved in the production of a barrel of biofuels, I doubt whether anyone could make money from that with a price lower than \$60 or \$70”. That level signalled a line “under which the level of prices could not go” ... “From now there’s a line below which prices won’t fall” which involves “the marginal cost of production of alternative fuels, whether that’s biofuels or tar sands” which had a threshold “between \$60 and \$70” *Saudi Oil Minister Ali al-Naimi, 2 Mar 2008*