



## October 24, 2008 OPEC Meeting Open Thread

Posted by [Gail the Actuary](#) on October 23, 2008 - 11:09pm

Topic: [Miscellaneous](#)

Tags: [oil production](#), [opec](#), [original](#), [production cuts](#), [quotas](#), [saudi arabia](#) [[list all tags](#)]

OPEC will be holding its meeting on oil production in Vienna, Austria on October 24.

I have not been able to locate a schedule, but the [OPEC Meeting Website](#) indicates that there will be live streaming of some events--press conferences, interviews, and opening events. This is described at [this location](#). It is virtually certain that the meeting itself will not be on the webcast.

The website gives a [form](#) for people to submit questions to possibly be asked of senior OPEC officials at press conferences.

I am posting this information in advance, since the meeting starts while those of us in the United States are still sleeping. Some of you in other parts of the world may want to tune in to the webcast.

Below the fold you will find a few quotes I have noticed preceding the conference. It sounds to me like there are several hard-liners who want big cuts and several others who are cautious about making cuts.

---

### [Any OPEC cut should not spread pain-president](#)

VIENNA (Reuters) - OPEC must not inflict pain on those suffering from the global economic crisis and may need more than one meeting to implement any supply cut, the group's president said on Thursday.

"The concern of the producing countries is, whatever decision is made, not to have an impact on increasing the pain of consuming countries," Chakib Khelil told a news briefing.

He reiterated his earlier comments that OPEC had to balance the needs of consumers and producers in its output decision at a Friday meeting. . .

Khelil, also Algeria's energy minister, said he preferred to see crude at \$90 a barrel to ensure oil and gas projects were carried out. . .

The OPEC president said he had not discussed the level of any OPEC reduction with Saudi Arabia, the group's biggest oil producer.

Khelil said he hoped Russia will follow OPEC's suit and cut oil production.

### [UPDATE 1-OPEC sees need for cut, figure to be set-Venezuela](#)

VIENNA, Oct 23 (Reuters) - OPEC oil ministers are agreed on the need to cut output at the group's Friday meeting, but the scale of the cut has yet to be fixed, Venezuela's Minister of Energy and Petroleum Rafael Ramirez said on Thursday.

'We are going to stop the collapse of the oil price,' Ramirez told reporters.

'We believe that we have some consensus for a cut, looking at the situation of the financial crisis,' he said. 'What we will do in the meeting, we are going to agree how much.'

### [Kuwait says OPEC must consider global crisis](#)

KUWAIT CITY (AFP) — Kuwait's Oil Minister Mohammad al-Olaim said on Thursday that OPEC should act over crude prices but that any measure must take into account the global financial crisis.

"There is a surplus in the market... and sooner or later action should be taken anyway," Olaim told reporters before departing for Vienna for Friday's emergency OPEC meeting.

"(But) we are concerned about the financial crisis and I think any action should take into consideration the financial crisis."

When asked if an output cut is inevitable, Olaim said: "I think we have to balance everything together" by dealing with the surplus in crude and the financial crisis which has raised fears of global recession.

### [OPEC must cut output in face of falling demand: Iraq](#)

OPEC needs to cut oil output in the face of falling demand, but cuts could be staggered so as to better assess their impact, Iraq's oil minister Hussain Al-Shahristani said Thursday.

"The demand for oil has gone down considerably over the last few months and the current production inside and outside OPEC is more than the demand so obviously that would require a cut in the production," Al-Shahristani told reporters as he arrived in Vienna for an urgent OPEC meeting.

Nevertheless, the minister refused to predict how big any cut by the Organisation of Petroleum Exporting Countries might be. . .

"Our budget for 2009 for Iraq is based on 90 dollars per barrel," he said.

The same article was not encouraging about Saudi Arabia's position. A quote:

"Who said anything about a cut?" said Saudi Oil Minister Ali al-Nuaimi to reporters.

### [Iran calls for deep OPEC cut](#)

VIENNA, Austria (AP) — Iran on Thursday called on OPEC to slash oil production by 2 million barrels a day to halt a steep slide in prices that has left crude at its cheapest since last summer. . .

The Saudis remained close-mouthed ahead of Friday's meeting.

"The prices are determined by the market," said Saudi Oil Minister Ali Naimi. Pressed on the probability of a cut, he told reporters: "Tomorrow we will tell you."

### [Russia Warms to OPEC, but Doesn't Promise Cuts](#)

With crude prices dropping, Russia, the world's No. 2 oil exporter, pledged to cooperate with the Organization of Petroleum Exporting Countries -- but stopped short of any promise to join the cartel in production cuts to support the market.

### [OPEC to tighten the taps](#)

Most analysts are expecting an agreement to reduce output by at least one million barrels, but don't expect that such a cut would send prices significantly higher. Instead, it would likely merely prevent an unsustainable buildup in inventories, which would eventually cause a price crash.

"To keep markets in a balance, they need to restrain production somewhat," David Kirsch, an analyst with PFC Energy Group in Washington, D.C., said yesterday.

"But they'll be very reluctant to take any steps that they think could have the prospect of over-tightening the market."

Let us know what you are hearing about the meeting and its likely impacts.



This work is licensed under a [Creative Commons Attribution-Share Alike](#)

[3.0 United States License.](#)