The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

OPEC Sees Lower Oil Demand for 2015

By The Moscow Times

November 12, 2014



LONDON — Global demand for oil from OPEC next year will be far below its current output level because of the U.S. shale boom, the group said Wednesday, as its top producer, Saudi Arabia, kept silent on whether it will cut output to remove surplus oil from the market.

Saudi Arabia, unusually, has not commented publicly on the fall in oil prices to their lowest since 2010, which has prompted industry watchers to wonder whether the kingdom may be moving away from a policy of managing the market and instead pursuing geopolitical goals.

Oil in October fell below $83 a barrel and on Tuesday reached $80.46, its lowest since 2010.

In a monthly report on Wednesday, the Organization of the Petroleum Exporting Countries (OPEC) forecast that 2015 demand for its oil will drop to 29.20 million barrels per day (bpd) — almost 1 million bpd less than it is currently producing.

Russia, the world's No. 2 oil exporter, calculated its 2015-17 budget on the assumption that oil would sell at $100 per barrel. The unexpectedly low oil prices, in combination with Western

sanctions and Russian counter-sanctions over Ukraine's crisis, have helped dragged down the ruble to just under 30 percent to the dollar since January.

Original url:
https://www.themoscowtimes.com/2014/11/12/opec-sees-lower-oil-demand-for-2015-a41290