

# OPEC October Output Surged to New Record of 33.54 Mil. Barrels Per Day: S&P Global Platts

Up 300,000 Barrels per Day from September and 5th Consecutive Monthly Increase

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LONDON

LONDON, Nov. 4, 2016 /[PRNewswire](#)/ -- Oil production from the Organization of the Petroleum Exporting Countries (OPEC) rose to another record, at 33.54 million barrels per day (b/d) in October, according to survey of OPEC and oil industry officials by S&P Global Platts, the leading independent provider of information and benchmark prices for the commodities and energy markets. Recoveries in strife-torn Libya and Nigeria significantly boosted the organization's output and more than offset field maintenance in Angola.

- Iran, Iraq output climbs higher
- Libya, Nigeria add 190,000 b/d each in October
- Dalia maintenance dents Angolan output

The gains, which total 300,000 b/d from September and mark the fifth consecutive month of increased production, further complicate the path for OPEC to freeze production between 32.5 million to 33 million b/d in order to support prices and accelerate the drawdown of inventories.

"OPEC's freeze math has gotten more complicated, as its countries keep pumping more," *said Herman Wang, senior writer for S&P Global Platts.* "With OPEC having self-imposed a November 30 deadline to finalize the freeze, the pressure will be on to deliver a deal that the market views as credible. Progress towards that goal has been slow, and a fifth straight month of record high production won't help."

Libya and Nigeria are exempt from the freeze, according to the plan announced in Algiers five weeks ago, but increases in Iraq and the expected return of Angolan production once the Dalia field maintenance is complete will make it harder.

OPEC kingpin Saudi Arabia, which is expected to bear the brunt of any cuts that the producer group implements, saw its output decline to 10.53 million b/d for October, with reduced crude consumption for power generation, as the peak summer air conditioning season ended.

## IRAQ, IRAN INCH HIGHER

Iraq, the organization's second largest producer, had output of 4.56 million b/d in the month, on increased exports.

Iraqi oil exports in October were boosted by higher loadings from the southern terminals along with a rise in pipeline exports from the Turkish port of Ceyhan.

The country, which has disputed secondary source estimates - including from Platts -- used by OPEC to

determine each country's monthly output, invited several media organizations to Baghdad last month to detail its field-by-field production.

During a press briefing, Iraqi oil officials were adamant that Iraq will "not back down" and will continue to produce at current levels regardless of whatever freeze agreement is reached. Its official production figure of 4.774 million b/d for September is higher than independent estimates, as it appears to be double-counting some production in the semi-autonomous Kurdistan Regional Government. Iraqi officials have complained that the lower estimates could put the country at a disadvantage when OPEC decides the quotas under the freeze.

Iran's production ticked up slightly in October to 3.67 million b/d, according to the Platts survey, as exports reached a post-sanctions high on increased interest from Europe on top of strong demand in Asia.

The country, which has also complained about secondary source estimates of its output being too low, has said it intends to regain its pre-sanctions production level of about 4 million b/d before it agrees to reining in under any freeze plan. But analysts have said Iran is unlikely to be able to raise its production much further without significant investment.

## NIGERIA, LIBYA RECOVERING

Nigeria, which resumed loadings of key export grades Qua Iboe and Forcados in late September, saw its production recover to 1.68 million b/d in October, as exports of all of its key exports grades have resumed.

But the oil-rich Niger Delta remains unstable and sensitive, with chances of more militant attacks high, which means production is still at risk.

Forcados production, which only resumed a month ago, is expected to be affected this month after militants bombed the Trans-Forcados pipeline on Wednesday.

Libya's production rose to an average of 530,000 b/d in October, as it continues to ramp up after exports from some of its eastern ports have resumed.

Libya's output has more than doubled since August, as production recovered sharply following news in September that Libya's state-owned National Oil Corporation (NOC) had lifted force majeure at the 360,000 b/d Es Sider terminal and also the 220,000 b/d Ras Lanuf and 70,000 b/d Zueitina terminals.

NOC chairman Mustafa Sanalla told S&P Global Platts on Tuesday that Libyan oil production was now 585,000 b/d, and also that the Es Sider terminal, which has been down since December 2014, was ready to begin loadings "within days."

Production in fields operated by the Waha Oil Company, Harouge Oil Operations and Arabian Gulf Oil Company have also increased in the past few months.

Angola production declined to 1.47 million b/d, as the key Dalia field which produces around 200,000-250,000 b/d was down for maintenance the entire month. Output is expected to come back online this month.

Final details of OPEC's freeze -- including individual country allocations and which production estimates are used to verify compliance -- are to be decided by the organization's next formal meeting, November 30 in Vienna.

The S&P Global Platts estimates are obtained by surveying OPEC and oil industry officials, traders and analysts, as well as reviewing proprietary shipping data.

OPEC ministers on September 28 agreed to a preliminary deal to freeze production between 32.5 million and 33 million b/d.

The organization had been operating without any official output ceiling since December 4, 2015 when it scrapped the 30 million b/d ceiling that it had in place since January 2012.

OPEC will hold its next ministerial meeting on November 30 in Vienna, when details of the freeze agreement are supposed to be finalized.

Gabon officially rejoined OPEC on July 1 while Indonesia reactivated its membership of OPEC at the December 2015 meeting. The estimate for Iraq includes volumes from semi-autonomous Iraqi Kurdistan.

For output numbers by country, click on this S&P Global [Platts OPEC Production Table](#). You may be prompted for a cost-free, one-time-only log-in registration.

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