

Oil prices may hit \$60 for a barrel in 2017: Seetharaman

By Peter Alagos
Business Reporter

Global oil prices “could possibly” hit the \$60 per barrel mark following Opec production cuts, said Doha Bank CEO Dr R Seetharaman, who also forecasts a “positive” economy for Qatar in 2017.

“Opec is trying to cut the output and Saudi Arabia has reaffirmed that it will cut its production. And again, Opec and non-Opec are cutting the output and definitely oil reaching \$60 per barrel this year is a possibility,” Seetharaman told *Gulf Times* yesterday on the sidelines of the Al Dana Green Run. “If the dollar is getting weak, oil futures will go up. Oil prices were once at \$147 per barrel not because demand was exponential or supply was less but because the dollar was so weak way back in 2007.”

On Thursday, Reuters reported that oil prices rose more than 1% on news that key crude exporters, including Saudi Arabia and Russia, were cutting production to reduce a global crude glut, and on forecasts of record demand in China. But prices fell on Friday and ended the week 3% lower on lingering doubts over the extent of Opec cuts, Reuters added.

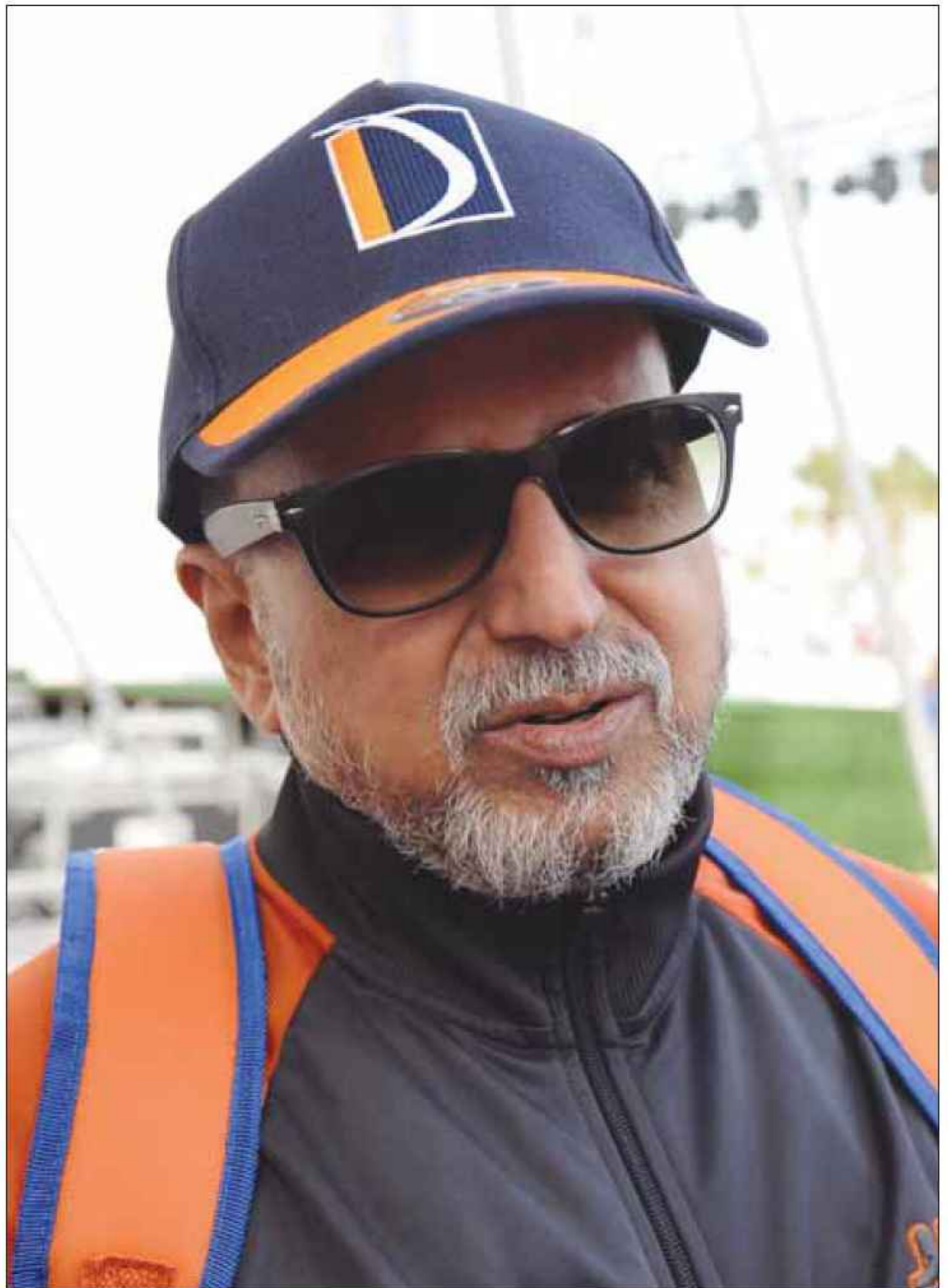
But Seetharaman has maintained the optimism saying oil prices hovering between \$50 and \$55 per barrel “is a good start.”

“It’s going to be a better year, with cautious optimism. This time last year, the mood was gloomier. But now, the oil price is stabilising between \$50 and \$55 per barrel and that’s a good beginning compared to last year’s \$26 in January.

“Though we ended up with an average of \$45 per barrel, it wasn’t an easy beginning in 2016. Now it is a good start and this will instil confidence in the market; already there is a mood of optimism, especially in terms of the overall aggregate GDP growth,” Seetharaman explained.

The Doha Bank CEO also said he expects Qatar’s economy to achieve a 3.4% growth this year.

“Non-hydrocarbon growth is going to be between 7% and 8%, and the government is going to run a balanced budget and no current account deficit. Of course, there will be a fiscal deficit on account of the huge investment in infrastructure. It is



Seetharaman: Cautious optimism. **PICTURE:** Nasar TK

a good budget; the government has aligned the monetary policy and fiscal policy. I think it’s going to be a decent year,” he said.

Asked about Doha Bank’s expansion plans in 2017, Seetharaman said the bank is eyeing to open representative offices in “two new countries.”

“The bank has strategic plans for expansion and setting the footprint. We are working on multiple disciplines and we’ll come to know once the regulatory approval is done. We are working on a few countries where there is market momentum and growth,” Seetharaman pointed out.