

Macro Roundup Article

Headline: [OPEC+ Says Goodbye to Its \\$100-a-Barrel Oil Quest](#)

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Tweet: OPEC+ is apparently abandoning attempts to drive oil prices from the current \$77/barrel for Brent crude toward \$100, allowing output increases starting in the fall. KSA needs oil prices to average \$96 a barrel to balance their budget. @JavierBlas

Summary: Over the weekend, the group, led by Saudi Arabia and Russia, announced a deal that, on paper, prolongs its complex layers of cumulative production cuts well into 2025. But read the fine print, and the agreement looks different. Under the pact, OPEC+ members will be able to start adding more barrels into the market from October, with significant increases next year. Saudi Arabia needs oil prices to average more than \$96 a barrel this year to square the government books, up from an average of \$80 from 2000 to 2020, according to the International Monetary Fund. With a GDP-to-debt ratio of less than 30%, Prince Mohammed has the luxury of having plentiful room to issue even more debt. The Saudi population has surged to about 34 million this year, nearly double from 18 million in 2000. As a result, Saudi Arabia looks poorer per capita than its wealthy neighbors: GDP per capita stood at just over \$30,000 in 2023, well behind the \$55,000 of the United Arab Emirates and the \$80,000 of Qatar.

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