

Key OPEC+ members **boost** oil production

To increase production by 137,000 barrels a day (bpd) from next month

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- Real test for OPEC+ will be the last three months of this year
- Oil specialists are keeping a close eye on Moscow's war in Ukraine



AFP | London, United Kingdom

Eight key members of the OPEC+ alliance said yesterday they have agreed to again boost oil production, in a strategy analysts saw as a bid to gain a bigger market share of crude sales.

Oil ministers in the V8 grouping -- comprising Saudi Arabia, Russia, Iraq, the United Arab Emirates, Kuwait, Kazakhstan, Algeria and Oman -- decided to increase production by 137,000 barrels a day (bpd) from next month, they said in a statement.

Those countries had already

increased production by 2.2 million bpd in recent months.

In their statement issued after an online meeting on Sunday, they said that the new incoming cycle could see up to an extra 1.65 million bpd eventually coming onto the market.

"OPEC+ caught the market off guard today -- instead of pausing, the group signalled ambition with a production hike. The barrels may be small, but the message is big," said Jorge Leon, an analyst at Rystad Energy.

"OPEC+ is prioritising market share even if it risks softer prices," he said.

Oil prices are currently hov-

ering around \$65-70 per barrel, having tumbled 12 percent this year as global producers outside OPEC+ ramp up supply and tariffs curb demand.

OPEC+ -- which comprises the 12-nation Organization of the Petroleum Exporting Countries (OPEC) and its allies -- had in recent years seen through several output cuts amounting to a total of almost six million bpd.

Analysts, up to a week ago, had been saying the V8 was likely to maintain their current output levels in October.

By raising them, even by a relatively modest 137,000 bpd, the V8 instead indicated that OPEC+

was willing to weather prices falling below \$60 a barrel if it meant regaining market share.

Leon said: "In reality, the actual production boost will be far smaller, given capacity limits and the compensation mechanism. But perception often matters more than physical barrels."

Still, he said, "the move raises questions about unity: countries like Russia depend on high prices to fund their war machine, while others are willing to test lower prices for market share."

Geopolitical factors

The real test for OPEC+ will be the last three months of this

year, a period when seasonal demand tends to be lower, he said.

Oil specialists are keeping a close eye on Moscow's war in Ukraine as well as developments regarding US-Russia relations -- geopolitical factors that could impact oil prices.

US President Donald Trump, whose efforts to mediate between Russia and Ukraine have failed to produce a breakthrough, has recently targeted Russian oil and those who buy it.

In August, he imposed higher tariffs on India as punishment for its purchases of Russian oil.

In a meeting with allies of Ukraine who gathered in Paris

on Thursday, Trump told leaders via a video conference that he was frustrated with EU purchases of Russian oil, particularly by Hungary and Slovakia.

Curbing Russian exports could free up market space for OPEC+ nations.

OPEC was founded in 1960 in Baghdad, Iraq, with just five member countries – Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela. Today, it has expanded to include 13 member nations, and together they control about 80% of the world's proven crude oil reserves, making OPEC one of the most influential players in the global energy market.

Indonesia's delayed new capital risks **'white elephant'** status

Nusantara, Indonesia

A year after it was inaugurated, Indonesia's would-be new capital Nusantara attracts tourists and construction workers, but most of its architecturally arresting presidential palace and freshly built avenues sit silent.

The legacy project of former president Joko Widodo is battling a slashed budget, slowed construction and a deficit of interest from a new leader focused on social mega-projects.

That has raised questions about whether the city, carved out of the jungle to replace crowded and rapidly sinking Jakarta, will ever see its promised potential.

"The political will on IKN right now feels muted," said Dedi Dinarso, senior associate at public policy advisory firm Global Counsel, referring to the new capital's official name: Ibu Kota Nusantara.

President Prabowo Subianto "is clearly putting his chips on welfare instead".

Just over 1,000 city authority employees live in Nusantara, along with a few hundred more ministry workers and service and medical employees.

That's far short of Jakarta's 12 million residents, and the new city's goal of two million inhabitants by 2045.

Prabowo mentioned IKN just once in his first state of the nation speech, and has slashed funding for the project.

Official budgets show a cut from 43.4 trillion rupiah (\$2.66 billion) in 2024 to just 6.3 trillion rupiah in 2026. The authority had requested more than 21 trillion rupiah for 2026's budget.

Significant foreign funding has also proved elusive despite overtures to allies in the Middle East and Asia.

"Prabowo feels that this is not his legacy. It's not his big push and he has more programmes that he wants to push," an official involved in the city's construction told AFP on condition of anonymity.

"I'm still 50-50 on it

(being finished)," the official added, saying the budget cuts mean "a lot of things will not be completed".

'Your loss'

The former president, known popularly as Jokowi, revived the long-proposed capital move when he won a second term in 2019.

But despite a rush to build, the city was not inaugurated as Indonesia's new capital on August 17 last year as expected.

"In Joko Widodo's time it was very fast-moving, now in Prabowo's time... it's not as fast," said Sofian Sibarani, the city's designer.

Just 800 of the planned 6,600 hectares of the core government area have been developed on or prepared for construction, he said.

Nusantara officials are under-terred, and tout the city as Indonesia's future power centre.

City authority head Basuki Hadimuljono told AFP that pro-

jects in a smaller executive area housing the palace and ministries in the government core were "already 97-98 percent" complete.

He claimed Prabowo wants to move in 2028 before the next presidential election, once the legislative and judicial areas are finished.

As president-elect, Prabowo said he wanted to "continue, if possible finish" the capital move, but since taking office he has yet to express any plans to sign the presidential decree needed to shift from Jakarta.

"It would be signed after the legislative and judicial areas are completed" in 2028, said Basuki.

"If you do not want to move here, or you have a doubt, it is your loss," he added.

Some government employees have expressed reservations about moving to an unfinished jungle city, located around 1,200 kilometres (745 miles) from Jakarta.

B u t

city employee Helena, who like many Indonesians goes by one name, insisted her unfinished tower block offers "an amazing level of comfort".

"And the facilities we get are more than enough," the 45-year-old told AFP.

The city now has three functioning hospitals, coffee shops, a toll road to nearby Balikpapan city and an airport waiting for commercial flight approval.

A planned shopping mall and cinema remain unbuilt.

'Really cool'

Outside the palace in the ceremonial plaza, dozens of tourists were taking in the promised new capital with gusto.

"I am happy and proud... IKN is really cool," said Ronald Telaumbanua, 38, who travelled from Sulawesi island.

The striking presidential palace, mod-

elled after the mythical Garuda bird, is a draw for photographs, but the city's lush green centre-piece offers little else.

Businesses counting on a boom of arrivals say they are struggling.

"During the Jokowi era, there were many workers, and there were numerous visits. Almost every day was busy," said Abdulh Rajab, 57, a snack seller near the developed city centre.

"My earnings have dropped significantly, by almost 60 percent. But I have to stay optimistic. I hope the construction will continue."

Dedi said former general Prabowo was likely to remain focused on flagship policies, such as offering free meals to children and pregnant women.

"That means IKN will not see bottleneck development anytime soon," he said.

"Without strong momentum, it risks drifting into white elephant territory."



ministry's buildings in Ibu Kota Nusantara (IKN), the planned new capital of Indonesia, East Kalimantan