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by Harriet Birungi
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OPEC membership possible after oil starts flowing

By Benon Ojiambo

Though Uganda has expressed interest to join the Organisation of Petroleum Exporting Countries (OPEC), it shall have to wait a little longer.

Uganda's willingness to join OPEC was expressed at the OPEC and Non-OPEC ministerial meeting that took place in Vienna, Austria last week.

However, for a country to become a member of OPEC, it must have become a net oil producer.

"Once we become a net oil producer, a decision will be made whether to become full members or associate members of OPEC,"

Yusuf Masaba, a communication specialist at the energy ministry, told *New Vision* in an email.

Uganda is working towards starting commercial oil production by 2020, with an expected daily peak production capacity of 230,000 barrels. Of these, 200,000 barrels shall be exported through the pipeline while 30,000 shall be refined.

The country's current petroleum consumption stands at about 35,116 barrels per day with an annual growth rate of 6%.

The organisation reserves the right to admission as per the statute which was adopted by a unanimous decision of its founder members.

The statute says: "Any country with a substantial net export of crude petroleum, which has fundamentally similar interests to those of member countries, may become a full member of the organisation, if accepted by a majority of three-fourths of full members, including the concurring votes of all founder members."

Should Uganda be admitted into the organisation, it will have the opportunity of enjoying both macro and micro benefits such as tapping into OPEC's best practices in the industry, realising intensive explorations and enhanced recoveries.

"OPEC influences oil prices in

the world and this has helped in stabilisation of prices on the world market since they currently own the largest oil reserves estimated at 1.216 trillion barrels, representing 81.5% of the world reserves," Masaba said.

"Uganda has a long-term goal of ensuring the oil revenues benefit the country and spur it into the middle income status. Such long-term strategies can best be achieved by joining the OPEC to tap into its long-term policies," he added.

He also said OPEC's principal aim is to harmonise the petroleum policies of its member countries as part of its efforts to safeguard their interests.



Tullow Uganda general manager Jimmy Mugerwa, the president of External Trade Council Paris/Africa, Jean-Jacques, ambassador Stephanie Rivoal and Total Uganda general manager Adewale Fayemi interacting during a cocktail reception in Kampala recently. Photo by Hajarrah Nalwadda

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