

---

## IRAQ NEXT TO STATE COMMITMENT TO OPEC CUTS

-

06.01.2017

---

UPI, 05 Jan 2017

Iraq has started trimming crude oil production in a managed fashion in order to comply with an OPEC agreement, the oil minister said.

"Iraq is dealing wisely" with its commitment to cut production, Oil Minister Jabbar al-Luaibi, said in a statement. Cuts are in line with an agreement signed in November, the ministry reported.

Iraq is among the top oil producers in the Organization of Petroleum Exporting Countries, which agreed to sideline a collective 1.2 million barrels per day to achieve balance between supply and demand. The OPEC deal uses an Iraqi oil production volume of 4.56 million bpd as a benchmark for a cut of about 4.6 percent.

Iraq reported to OPEC that it produced about 3,000 bpd more in November than the reference used to cut the deal. Secondary sources told OPEC that Iraq produced about 4.8 million bpd and, if that figure is more accurate, Iraq would still be producing more than it agreed to at 4.59 million bpd.

Luaibi's official comments follow similar remarks he made last week to the Kuwait News Agency. He told KUNA that Iraq would cut as much as 210,000 bpd from production and has an eye on oil priced at \$60 per barrel. Brent crude oil was trading around \$57 per barrel early Thursday.

The minister's office stressed the OPEC decline was also addressed at bringing oil prices up from 2016 lows below \$30 per barrel. He said the agreement would no longer be needed once the production group achieves its goals.

Luaibi offered no timeline for compliance with an agreement that calls for a coordinated quota for at least six months.

A spokesperson for Kuwait's national petroleum company said the Persian Gulf nation committed to cuts until the end of the first quarter. Oman's oil ministry confirmed its commitment as well. Kuwait and Oman are members of a group tasked with ensuring compliance with the deal.