
SOME OPEC MEMBERS BUCKING TREND

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An industry survey finds some OPEC members moving against the grain despite near-full compliance with managed production decline agreement.

Feb. 8 (UPI) -- Members of OPEC exempt from a production agreement, and those producers who wanted such a break, are bucking rival trends, an industry survey finds.

Members of the Organization of Petroleum Exporting Countries agreed to a collective production ceiling of 32.5 million barrels per day as of January. Some industry analysts continue to speculate over the level of compliance, however.

Iraq, one of OPEC's larger contributors, produced around 4.48 million barrels of oil per day on average in January, a survey from S&P Global Platts found. The country lobbied for an exemption from the OPEC agreement, citing a need to keep the revenue stream flowing as it battled against the Islamic State terrorist group. Baghdad acquiesced, however, to a ceiling of 4.35 million bpd, though Platts said Iraq's production in January was a decline of 150,000 bpd from the previous month.

Libya and Nigeria each received exemptions because of lingering civil conflicts. Platts found that both of those countries were on the road to recovery, with Libya in particular making strides. Austrian energy company OMV said last week that the improved political and security situation there meant it was able to start production at two of the country's larger oil fields.

For Nigeria, Platts found production was moving closer to its legacy rate despite recent attacks on oil infrastructure in the Niger Delta.

"The survey shows that several OPEC countries covered by the agreement still need to make some progress in lowering output to their allocations," Platts reported.

The group nevertheless found in a separate report this week that compliance with the agreement was around 90 percent so far. Saudi Arabia is the main contributor to overall declines with its January production falling just shy of 10 million bpd. That's the first month in nearly two years that Saudi oil production dropped by 10 million bpd.

Despite the early number-crunching, Herman Wang, an OPEC specialist at Platts, notes it's a six-month agreement and the ink so far is barely dry.

"It'll take a few more months of monitoring to know whether the discipline that OPEC is displaying will hold," he said in an emailed statement.

Kaynak/Source: