
KUWAIT, RUSSIA SAID TO MEET IRAQ, OTHER PRODUCERS ON CRUDE CUTS

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08.08.2017

Bloomberg (8 August 2017)

Russia and Kuwait oil officials began meetings in Abu Dhabi Monday to examine why some producers in a global pact to cut output are falling behind in their commitment.

Talks are being held separately with representatives from Iraq, United Arab Emirates, Kazakhstan and Malaysia through Tuesday, according to people familiar with the situation. A representative from Saudi Arabia is attending the sessions in capacity as president of the Organization of Petroleum Exporting Countries.

Findings of the meetings will be presented to the Joint Ministerial Monitoring Committee which oversees the agreement to cut production, the people said, asking not to be identified because the talks are private. The agreement, which came into effect at the start of the year, brings together OPEC and non-OPEC nations in an effort to take as much as 1.8 million barrels of oil a day off the market.

Saudi Arabia said last month that it planned to increase pressure on nations that didnt comply with their pledge to cut output through next March. Compliance to cuts fell to 86% in July, the lowest level since January, according to a Bloomberg survey. Benchmark Brent crude dropped about 9% this year as signs of rising global supply eroded optimism that the output curbs are re-balancing the market.

Iraqi compliance slumped to 29% in June, its lowest so far, while the U.A.E. made just 60% of its cuts, according to the International Energy Agencys last monthly report. Targets for reduced output are based on production estimates from six independent parties, known as secondary sources. Last year, as the deal was being negotiated, Iraq complained about these estimates, claiming they arent accurate.

Kaynak/Source: