
IRAQ: OPEC SHOULDN'T HEED CALLS TO BOOST OIL PRODUCTION

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OPEC and allies should not bow to the pressure to increase production to offset supply disruptions, Iraq's Oil Minister Jabbar al-Luiebi said on Monday, adding that unilateral decisions could be viewed as a breach of the production cut deal.

Oil prices still need more support and stability, and the pact producers should not over exaggerate the need of the oil market for more oil supplies in the time being, the oil minister of OPEC's second-largest producer said in a statement, as carried by Reuters.

Al-Luiebi rejects unilateral decisions by some oil producers without consulting the rest of the members of the pact, according to the statement.

Some OPEC members are said to have been upset that Saudi Arabia hadn't consulted them before hinting at a possible increase in production, which is setting the stage for a difficult OPEC meeting next week.

In recent weeks, there has been growing speculation that Saudi Arabia and Russia are thinking of reversing some of the production cuts in order to offset supply disruptions from Venezuela and possibly from Iran, after the U.S. sanctions on Tehran kick in later this year.

A day before U.S. President Donald Trump pulled the United States out of the Iran nuclear deal, a senior official of the Trump Administration phoned Saudi Arabia to ask it to help keep oil prices stable should the U.S. decision on Iran disrupt oil supply, Reuters reported last week.

Earlier last week, Bloomberg reported that the United States had quietly asked Saudi Arabia and several other OPEC nations to raise oil production by some 1 million bpd.

Iraq of the last holdouts before the supply cut pact was reached had a sketchy compliance record since the OPEC/NOPEC deal began in January 2017, and has failed to fully comply with its ceiling of 4.351 million bpd.

According to estimates by Platts, Iraq has exceeded its ceiling by the most within OPEC some 78,000 bpd since the start of the deal, with compliance at just 63 percent, compared to more than a 100-percent overall compliance of the OPEC/NOPEC group.

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