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Putin Pledges Cooperation With OPEC

By The Moscow Times

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SOCHI — Russia, currently the world's biggest oil producer, will work more closely with the Organization of the Petroleum Exporting Countries, Prime Minister Vladimir Putin said Friday.

"OPEC is sometimes irritated by us as we, not being a member of the organization, produce more oil, which influences international crude oil prices," he told a conference in Sochi.

"But we will coordinate our work with OPEC," he said, adding that Russia would also work with the Gas Exporting Countries Forum, which brings together leading gas exporters.

He did not specify how Russia would collaborate or whether it planned to attend OPEC's next meeting.

OPEC ministers have voiced exasperation with Russia as it has pumped to full capacity, while leaving the work of supporting oil prices by reducing output to members of OPEC.

It sent high-level delegations to attend OPEC meetings as observers when the oil price was crashing to just above $30 a barrel in late 2008, but has not joined in with production cuts. Deputy Prime Minister Igor Sechin said last year that Russia would cooperate more closely with the bloc to support prices.

Instead, the country's output has risen to records of more than 10 million barrels per day, taking it above that of OPEC's largest producer Saudi Arabia, which is producing below capacity following OPEC supply curbs.

OPEC's compliance with its output goals has slipped, but only after the market rallied to the roughly $70 to $80 a barrel range that its members have said is acceptable for consumers and producers.

Given the resilience of the oil price, analysts do not expect OPEC to change its supply policy when it next meets in Vienna on Oct. 14.

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