

Russia: Gulf nations, not us, to blame for oil prices fall -TASS

MOSCOW (Reuters) – Russia never sought a sharp oil price fall or an end to cooperation with the Organization of Petroleum Exporting Countries (OPEC), and the Gulf nations are to blame for the crisis on the global oil markets, a senior Russian official said.

In early March, Russia and OPEC failed to agree on how their deal to cut oil production should work: OPEC wanted to deepen the cuts while Moscow proposed extending existing curbs. The disagreement came at a time when global demand was slumping because of the impact of the coronavirus pandemic.

Oil prices fell from nearly \$50 per barrel on March 6 when the deal collapsed to below \$27 on Friday, as Saudi Arabia, the top OPEC player, and Russia, the world's second-biggest oil exporter after Riyadh, prepare to open the taps from April 1.

“Russian position was never about triggering an oil price fall. This is purely our Arab partners initiative,” Andrei Belousov, Russian first deputy prime minister, was quoted as saying by TASS late on Saturday.

“Even oil companies who are obviously interested to maintain their markets did not have a stance that the deal (OPEC+) should be dissolved.”

Belousov reiterated that Russia was proposing to extend the existing curbs by at least one more quarter and potentially until the end of 2020. “But (our) Arab partners took a different stance,” TASS quoted him as saying.

Igor Sechin, head of Russia's top oil producer Rosneft (ROSN.MM), has always opposed the three-year-long deal, saying it allows non-members such as the United States to increase their market share at expense of those cutting supply.

“Is there a point to cut further if other producers will increase?”, Sechin was quoted as saying on Friday in his first public comments since the deal fell apart.

Sechin said he believed that global oil prices could return to \$60 per barrel by end-2020 if shale oil is forced out of the market. Belousov believes that oil prices

will balance at around \$35-40 per barrel.

Reporting by Katya Golubkova; Editing by Frances Kerry

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