

= OPEC =

Organization of the Petroleum Exporting Countries ( OPEC , / ˈoʊpɛk / OH @-@ pek , or OPEP in several other languages ) is an intergovernmental organization of 14 nations , founded in 1960 in Baghdad by the first five members , and headquartered since 1965 in Vienna . As of 2015 , the 14 countries accounted for 43 percent of global oil production and 73 percent of the world 's " proven " oil reserves , giving OPEC a major influence on global oil prices .

OPEC 's stated mission is " to coordinate and unify the petroleum policies of its member countries and ensure the stabilization of oil markets , in order to secure an efficient , economic and regular supply of petroleum to consumers , a steady income to producers , and a fair return on capital for those investing in the petroleum industry . " As of July 2016 , OPEC 's members are Algeria , Angola , Ecuador , Gabon , Indonesia , Iran , Iraq , Kuwait , Libya , Nigeria , Qatar , Saudi Arabia ( the de facto leader ) , United Arab Emirates , and Venezuela . Two @-@ thirds of OPEC 's oil production and reserves are in its six Middle Eastern countries that surround the oil @-@ rich Persian Gulf .

The formation of OPEC marked a turning point toward national sovereignty over natural resources , and OPEC decisions have come to play a prominent role in the global oil market and international relations . The effect can be particularly strong when wars or civil disorders lead to extended interruptions in supply . In the 1970s , restrictions in oil production led to a dramatic rise in oil prices and OPEC revenue and wealth , with long @-@ lasting and far @-@ reaching consequences for the global economy . In the 1980s , OPEC started setting production targets for its member nations ; and generally when the production targets are reduced , oil prices increase . In December 2014 , " OPEC and the oil men " ranked as # 3 on Lloyd 's list of " the top 100 most influential people in the shipping industry " ? although their influence on international trade is periodically challenged by the expansion of non @-@ OPEC energy sources , and by the recurring temptation for individual OPEC members to exceed production ceilings .

= = Membership = =

= = = Current member countries = = =

As of July 2016 , OPEC has 14 member countries : six in the Middle East ( Western Asia ) , one in Southeast Asia , five in Africa , and two in South America . Their combined rate of oil production represented 43 percent of the world 's total in 2015 , and they accounted for 73 percent of the world 's " proven " oil reserves , including 48 percent from just the six Middle Eastern members :

In October 2015 , Sudan formally submitted an application to join OPEC . Approval of a new member country requires agreement by three @-@ fourths of the existing members , including all five of the founders .

= = = Lapsed members = = =

For countries that export petroleum at relatively low volume , their limited negotiating power as OPEC members would not necessarily justify the burdens imposed by OPEC production quotas and membership costs . Ecuador withdrew from OPEC in December 1992 , because it was unwilling to pay the annual US \$ 2 million membership fee and felt that it needed to produce more oil than it was allowed under its OPEC quota at the time , although it rejoined in October 2007 . Similar concerns prompted Gabon to suspend membership in January 1995 ; it rejoined in July 2016 . In May 2008 , Indonesia announced that it would leave OPEC when its membership expired at the end of that year , having become a net importer of oil and being unable to meet its production quota . It rejoined the organization in January 2016 .

Some commentators consider that the United States was a de facto member of OPEC during its formal occupation of Iraq , due to its leadership of the Coalition Provisional Authority in 2003 ? 2004 . But this is not borne out by the minutes of OPEC meetings , as no US representative attended in

an official capacity .

== = Observers = = =

Since the 1980s , representatives from Egypt , Mexico , Norway , Oman , Russia , and other oil @-@ exporting nations have attended many OPEC meetings as observers , as an informal mechanism for coordinating policies .

== = Leadership and decision @-@ making = = =

The OPEC Conference is the supreme authority of the organization , and consists of delegations normally headed by the oil ministers of member countries . The chief executive of the organization is the OPEC Secretary General . The Conference ordinarily meets at the Vienna headquarters , at least twice a year and in additional extraordinary sessions when necessary . It generally operates on the principles of unanimity and " one member , one vote " , with each country paying an equal membership fee into the annual budget . However , since Saudi Arabia is by far the largest and most @-@ profitable oil exporter in the world , with enough capacity to function as the traditional swing producer to balance the global market , it serves as " OPEC 's de facto leader " .

== = International cartel = = =

At various times , OPEC members have displayed apparent anti @-@ competitive cartel behavior through the organization 's agreements about oil production and price levels . In fact , economists often cite OPEC as a textbook example of a cartel that cooperates to reduce market competition , as in this definition from OECD 's Glossary of Industrial Organisation Economics and Competition Law :

International commodity agreements covering products such as coffee , sugar , tin and more recently oil ( OPEC : Organization of Petroleum Exporting Countries ) are examples of international cartels which have publicly entailed agreements between different national governments .

OPEC members strongly prefer to describe their organization as a modest force for market stabilization , rather than a powerful anti @-@ competitive cartel . In its defense , the organization was founded as a counterweight against the previous " Seven Sisters " cartel of multinational oil companies , and non @-@ OPEC energy suppliers have always had enough market share to maintain a substantial degree of worldwide competition . Moreover , widespread cheating within OPEC largely neutralizes its collective ability to influence global oil prices through members ' agreements .

OPEC has not been involved in any disputes related to the competition rules of the World Trade Organization , even though the objectives , actions , and principles of the two organizations diverge considerably . A key US District Court decision held that OPEC consultations are protected as " governmental " acts of state by the Foreign Sovereign Immunities Act , and are therefore beyond the legal reach of US competition law governing " commercial " acts . Despite popular sentiment against OPEC , legislative proposals to limit sovereign immunity , such as the NOPEC Act , have so far been unsuccessful .

== = Conflicts = = =

OPEC often has difficulty agreeing on policy decisions because its member countries differ widely in their oil export capacities , production costs , reserves , geological features , population , economic development , and political circumstances . Indeed , oil reserves can themselves become a source of serious conflict and instability , in what economists call the " natural resource curse " . A further complication is that religion @-@ linked conflicts in the Middle East are recurring features of the geopolitical landscape for this oil @-@ rich region . Internationally important conflicts in OPEC 's history have included the Six @-@ Day War ( 1967 ) , Yom Kippur War ( 1973 ) , a hostage siege

directed by Palestinian militants ( 1975 ) , the Iranian Revolution ( 1979 ) , Iran ? Iraq War ( 1980 ? 1988 ) , Iraqi occupation of Kuwait ( 1990 ? 1991 ) , September 11 attacks by mostly Saudi hijackers ( 2001 ) , American occupation of Iraq ( 2003 ? 2011 ) , Conflict in the Niger Delta ( 2004 ? present ) , Arab Spring ( 2010 ? 2012 ) , Libyan Crisis ( 2011 ? present ) , and international Embargo against Iran ( 2012 ? 2016 ) . Although events such as these can temporarily disrupt oil supplies and elevate prices , the frequent disputes and instabilities tend to limit OPEC 's long @-@ term cohesion and effectiveness .

= = Market information = =

As one area in which OPEC members have been able to cooperate productively over the decades , the organization has significantly improved the quality and quantity of information available about the international oil market .

= = = Publications and research = = =

In April 2001 , OPEC collaborated with five other international organizations ( APEC , Eurostat , IEA , OLADE , UNSD ) to improve the availability and reliability of oil data . They launched the Joint Oil Data Exercise , which in 2005 was joined by IEF and renamed the Joint Organisations Data Initiative ( JODI ) , covering more than 90 percent of the global oil market . GECF joined as an eighth partner in 2014 , enabling JODI also to cover nearly 90 percent of the global market for natural gas .

Since 2007 , OPEC has published the " World Oil Outlook " ( WOO ) annually , in which it presents a comprehensive analysis of the global oil industry including medium- and long @-@ term projections for supply and demand . OPEC also produces an " Annual Statistical Bulletin " ( ASB ) , and publishes more @-@ frequent updates in its " Monthly Oil Market Report " ( MOMR ) and " OPEC Bulletin " .

= = = Crude oil benchmarks = = =

A " crude oil benchmark " is a standardized petroleum product that serves as a convenient reference price for buyers and sellers of crude oil . Benchmarks are used because oil prices differ based on variety , grade , delivery date and location , and other legal requirements .

The OPEC Reference Basket of Crudes has been an important benchmark for oil prices since 2000 . It is calculated as a weighted average of prices for petroleum blends from the OPEC member countries : Saharan Blend ( Algeria ) , Girassol ( Angola ) , Oriente ( Ecuador ) , Rabi Light ( Gabon ) , Minas ( Indonesia ) , Iran Heavy ( Islamic Republic of Iran ) , Basra Light ( Iraq ) , Kuwait Export ( Kuwait ) , Es Sider ( Libya ) , Bonny Light ( Nigeria ) , Qatar Marine ( Qatar ) , Arab Light ( Saudi Arabia ) , Murban ( UAE ) , and Merey ( Venezuela ) .

North Sea Brent Crude Oil is the leading benchmark for Atlantic basin crude oils , and is used to price approximately two @-@ thirds of the world 's traded crude oil . Other well @-@ known benchmarks are West Texas Intermediate ( WTI ) , Dubai Crude , Oman Crude , and Urals oil .

= = = Spare capacity = = =

The US Energy Information Administration , the statistical arm of the US Department of Energy , defines spare capacity for crude oil market management " as the volume of production that can be brought on within 30 days and sustained for at least 90 days ... OPEC spare capacity provides an indicator of the world oil market 's ability to respond to potential crises that reduce oil supplies . "

In November 2014 , the International Energy Agency ( IEA ) estimated that OPEC 's " effective " spare capacity , adjusted for ongoing disruptions in countries like Libya and Nigeria , was 3 @. @ 5 million barrels per day ( 560 @, @ 000 m3 / d ) and that this number would increase to a peak in 2017 of 4 @. @ 6 million barrels per day ( 730 @, @ 000 m3 / d ) . By November 2015 , the IEA changed its assessment " with OPEC 's spare production buffer stretched thin , as Saudi Arabia ?

which holds the lion 's share of excess capacity ? and its Gulf neighbours pump at near @-@ record rates . "

= = History = =

= = = Post @-@ WWII situation = = =

In 1949 , Venezuela and Iran took the earliest steps in the direction of OPEC , by inviting Iraq , Kuwait and Saudi Arabia to improve communication among petroleum @-@ exporting nations as the world recovered from World War II . At the time , some of the world 's largest oil fields were just entering production in the Middle East . The United States had established the Interstate Oil Compact Commission to join the Texas Railroad Commission in limiting overproduction . The US was simultaneously the world 's largest producer and consumer of oil ; and the world market was dominated by a group of multinational companies known as the " Seven Sisters " , five of which were headquartered in the US .

= = = 1959 ? 1960 anger from exporting countries = = =

In February 1959 , the multinational oil companies ( MOCs ) unilaterally reduced their posted prices for Venezuelan and Middle Eastern crude oil by 10 percent . Weeks later , the first Arab Petroleum Congress convened in Cairo , Egypt , where the influential journalist Wanda Jablonski introduced Saudi Arabia 's Abdullah Tariki to Venezuela 's Juan Pablo Pérez Alfonzo . Both oil ministers were angered by the price cuts , and the two led their fellow delegates to establish the Maadi Pact or Gentlemen 's Agreement , calling for an " Oil Consultation Commission " of exporting countries , to which MOCs should present price @-@ change plans . Jablonski reported a marked hostility toward the West and a growing outcry against " absentee landlordism " of the MOCs , which at the time controlled all oil operations within the exporting countries and wielded enormous political influence . In August 1960 , ignoring the warnings , and with the US favoring Canadian and Mexican oil for strategic reasons , the MOCs again unilaterally announced significant cuts in their posted prices for Middle Eastern crude oil .

= = = 1960 ? 1975 founding and expansion = = =

The following month , during 10 ? 14 September 1960 , the Baghdad Conference was held at the initiative of Tariki and Pérez Alfonzo . The governments of Iran , Iraq , Kuwait , Saudi Arabia and Venezuela met in Baghdad to discuss ways to increase the price of crude oil produced by their countries , and ways to respond to unilateral actions by the MOCs . Despite strong US opposition : " Together with Arab and non @-@ Arab producers , Saudi Arabia formed the Organization of Petroleum Export Countries ( OPEC ) to secure the best price available from the major oil corporations . " The Middle Eastern members originally called for OPEC headquarters to be in Baghdad or Beirut , but Venezuela argued for a neutral location , and so Geneva , Switzerland was chosen . On 1 September 1965 , OPEC moved to Vienna , Austria , after Switzerland declined to extend diplomatic privileges .

During 1961 ? 1975 , the five founding nations were joined by Qatar ( 1961 ) , Indonesia ( 1962 ? 2008 , rejoined 2016 ) , Libya ( 1962 ) , United Arab Emirates ( originally just the Emirate of Abu Dhabi , 1967 ) , Algeria ( 1969 ) , Nigeria ( 1971 ) , Ecuador ( 1973 ? 1992 , rejoined 2007 ) , and Gabon ( 1975 ? 1994 , rejoined 2016 ) . Indicating that OPEC is not averse to further expansion , Mohammed Barkindo , OPEC 's Acting Secretary General in 2006 , urged his African neighbors Angola and Sudan to join , and Angola did in 2007 . Since the 1980s , representatives from Egypt , Mexico , Norway , Oman , Russia , and other oil @-@ exporting nations have attended many OPEC meetings as observers , as an informal mechanism for coordinating policies .

== 1973 ? 1974 oil embargo ==

In October 1973 , the Organization of Arab Petroleum Exporting Countries ( OAPEC , consisting of the Arab majority of OPEC plus Egypt and Syria ) declared significant production cuts and an oil embargo against the United States and other industrialized nations that supported Israel in the Yom Kippur War . A previous embargo attempt was largely ineffective in response to the Six @-@ Day War in 1967 . However , in 1973 , the result was a sharp rise in oil prices and OPEC revenues , from US \$ 3 / bbl to US \$ 12 / bbl , and an emergency period of energy rationing , intensified by panic reactions , a declining trend in US oil production , currency devaluations , and a lengthy UK coal @-@ miners dispute . For a time , the UK imposed an emergency three @-@ day workweek . Seven European nations banned non @-@ essential Sunday driving . US gas stations limited the amount of gasoline that could be dispensed , closed on Sundays , and restricted the days when gasoline could be purchased , based on license plate numbers . Even after the embargo ended in March 1974 following intense diplomatic activity , prices continued to rise . The world experienced a global economic recession , with unemployment and inflation surging simultaneously , steep declines in stock and bond prices , major shifts in trade balances and petrodollar flows , and a dramatic end to the post @-@ WWII economic boom .

The 1973 ? 1974 oil embargo had lasting effects on the United States and other industrialized nations , which established the International Energy Agency in response . Oil conservation efforts included lower speed limits on highways , smaller and more energy @-@ efficient cars and appliances , year @-@ round daylight saving time , reduced usage of heating and air @-@ conditioning , better insulation , increased support of mass transit , national emergency stockpiles , and greater emphasis on coal , natural gas , ethanol , nuclear and other alternative energy sources . These efforts became effective enough that US oil consumption would rise only 11 percent during 1980 ? 2014 , while real GDP rose 150 percent . But in the 1970s , OPEC nations demonstrated convincingly that their oil could be used as both a political and economic weapon against other nations , at least in the short term .

== 1975 Special Fund ==

OPEC 's international aid activities date from well before the 1973 ? 1974 oil price explosion . For example , the Kuwait Fund for Arab Economic Development has operated since 1961 .

OPEC added to its goals the selling of oil for the socio @-@ economic growth of poorer nations . The OPEC Special Fund was conceived in Algiers , Algeria , in March 1975 , and was formally established the following January . " A Solemn Declaration ' reaffirmed the natural solidarity which unites OPEC countries with other developing countries in their struggle to overcome underdevelopment , ' and called for measures to strengthen cooperation between these countries ... [ The Fund 's ] resources are additional to those already made available by OPEC states through a number of bilateral and multilateral channels . " The Fund became an official international development agency in May 1980 and was renamed the OPEC Fund for International Development ( OFID ) .

== 1975 hostage siege ==

On 21 December 1975 , Saudi Arabia 's Ahmed Zaki Yamani , Iran 's Jamshid Amuzegar , and the other OPEC oil ministers were taken hostage at their semi @-@ annual conference in Vienna , Austria . The attack , which killed three non @-@ ministers , was orchestrated by a six @-@ person team led by Venezuelan terrorist Carlos the Jackal , and which included Gabriele Kröcher @-@ Tiedemann and Hans @-@ Joachim Klein . The self @-@ named " Arm of the Arab Revolution " group called for the liberation of Palestine . Carlos planned to take over the conference by force and hold for ransom all eleven attending oil ministers , except for Yamani and Amuzegar who were to be executed .

Carlos arranged bus and plane travel for his team and 42 of the original 63 hostages , with stops in

Algiers and Tripoli , planning to fly eventually to Baghdad , where Yamani and Amuzegar were to be killed . All 30 non @-@ Arab hostages were released in Algiers , excluding Amuzegar . Additional hostages were released at another stop in Tripoli before returning to Algiers . With only 10 hostages remaining , Carlos held a phone conversation with Algerian President Houari Boumédiène , who informed Carlos that the oil ministers ' deaths would result in an attack on the plane . Boumédiène must also have offered Carlos asylum at this time and possibly financial compensation for failing to complete his assignment . Carlos expressed his regret at not being able to murder Yamani and Amuzegar , then he and his comrades left the plane . All the hostages and terrorists walked away from the situation , two days after it began .

Some time after the attack , Carlos 's accomplices revealed that the operation was commanded by Wadie Haddad , a founder of the Popular Front for the Liberation of Palestine . They also claimed that the idea and funding came from an Arab president , widely thought to be Libya 's Muammar al @-@ Gaddafi . Fellow militants Bassam Abu Sharif and Klein claimed that Carlos received and kept a ransom between US \$ 20 million and US \$ 50 million from " an Arab president " . Carlos claimed that Saudi Arabia paid ransom on behalf of Iran , but that the money was " diverted en route and lost by the Revolution " .

= = = 1979 ? 1980 oil crisis and 1980s oil glut = = =

In response to oil nationalizations and the high prices of the 1970s , industrial nations took steps to reduce their dependence on OPEC oil , especially after prices reached new peaks approaching US \$ 40 / bbl in 1979 ? 1980 when the Iranian Revolution and Iran ? Iraq War disrupted regional stability and oil supplies . Electric utilities worldwide switched from oil to coal , natural gas , or nuclear power ; national governments initiated multibillion @-@ dollar research programs to develop alternatives to oil ; and commercial exploration developed major non @-@ OPEC oilfields in Siberia , Alaska , the North Sea , and the Gulf of Mexico . By 1986 , daily worldwide demand for oil dropped by 5 million barrels , non @-@ OPEC production rose by an even @-@ larger amount , and OPEC 's market share sank from approximately 50 percent in 1979 to less than 30 percent in 1985 . The result was a six @-@ year decline in the price of oil , which culminated by plunging more than half in 1986 alone .

To combat falling revenue from oil sales , in 1982 Saudi Arabia pushed OPEC for audited national production quotas in an attempt to limit output and boost prices . When other OPEC nations failed to comply , Saudi Arabia first slashed its own production from 10 million barrels daily in 1979 ? 1981 to just one @-@ third of that level in 1985 . When this proved ineffective , Saudi Arabia reversed course and flooded the market with cheap oil , causing prices to fall below US \$ 10 / bbl and higher @-@ cost producers to become unprofitable . Faced with increasing economic hardship ( which ultimately contributed to the collapse of the Soviet bloc in 1989 ) , OPEC members that had previously failed to comply with quotas finally began to limit production to shore up prices , based on national quotas that sought to balance oil @-@ related and economic criteria since 1986 . ( Within their sovereign territories , the national governments of OPEC members are able to impose production limits on both government @-@ owned and private oil companies . ) Generally when OPEC production targets are reduced , oil prices increase .

= = = 1990 ? 2011 responses to wars and instability = = =

Leading up to his 1990 Invasion of Kuwait , Iraqi President Saddam Hussein was pressuring OPEC to end overproduction and to push oil prices higher , in order to help OPEC members financially and to accelerate rebuilding from the 1980 ? 1988 Iran ? Iraq War . But these two Iraqi wars against fellow OPEC founders marked a low point in the cohesion of the organization , and oil prices subsided quickly after the short @-@ term supply disruptions . The 2001 September 11 attacks and the 2003 American invasion of Iraq had even milder short @-@ term impacts on oil prices , as Saudi Arabia and other exporters cooperated to keep the world adequately supplied .

Ecuador withdrew from OPEC in December 1992 , because it was unwilling to pay the annual US \$

2 million membership fee and felt that it needed to produce more oil than it was allowed under the OPEC quota , although it rejoined in October 2007 . Similar concerns prompted Gabon to suspend membership in January 1995 ; it rejoined in July 2016 . Iraq has remained a member of OPEC since the organization 's founding , but Iraqi production has not been a part of any OPEC quota agreements since 1998 , due to the country 's daunting political difficulties .

Lower demand triggered by the 1997 ? 1998 Asian financial crisis saw the price of oil fall back to 1986 levels . After oil slumped to around US \$ 10 / bbl , joint diplomacy achieved a gradual slowing of oil production by OPEC , Mexico and Norway .

In 2003 , the International Energy Agency ( IEA ) and OPEC held their first joint workshop on energy issues , and they have continued to meet regularly since then to " better understand trends , analysis and viewpoints and advance market transparency and predictability . "

Widespread insurgency and sabotage during the 2003 ? 2008 height of the American occupation of Iraq , combined with rapidly increasing oil demand from China and investors , recurring violence against the Nigerian oil industry , and dwindling spare capacity as a cushion against global supply disruptions , prompted a sharp rise in oil prices to levels far higher than those previously targeted by OPEC . Price volatility reached an extreme in 2008 , as WTI crude oil surged to a record US \$ 147 / bbl in July and then plunged to just US \$ 32 / bbl in December , during the worst global recession since World War II . OPEC 's annual oil export revenue also set a new record in 2008 , estimated around US \$ 800 billion , and would go on to approximate US \$ 1 trillion in 2011 ? 2013 before plunging again . By the time of the 2011 Libyan Civil War and Arab Spring , OPEC was calling for more efforts by governments and regulatory bodies to curb " excessive speculation " in oil futures markets , blaming financial speculators for increasing volatility in prices , disconnected from market fundamentals .

In May 2008 , Indonesia announced that it would leave OPEC when its membership expired at the end of that year , having become a net importer of oil and being unable to meet its production quota . A statement released by OPEC on 10 September 2008 confirmed Indonesia 's withdrawal , noting that OPEC " regretfully accepted the wish of Indonesia to suspend its full membership in the organization , and recorded its hope that the country would be in a position to rejoin the organization in the not @-@ too @-@ distant future . "

= = = 2008 production dispute = = =

The differing economic needs of OPEC member states often affect the internal politics behind OPEC production quotas . Poorer members have pushed for reductions in OPEC production , to increase the price of oil and thus their own revenues . These proposals conflict with Saudi Arabia 's stated long @-@ term strategy of being a partner with the world 's economic powers to ensure a steady flow of oil that would support economic expansion . Part of the basis for this policy is the Saudi concern that overly expensive oil or unreliable supply will drive industrial nations to conserve and develop alternative fuels , curtailing the worldwide demand for oil . To this point , Saudi Oil Minister Yamani famously said in 1973 : " The Stone Age didn 't end because we ran out of stones . "

On 10 September 2008 , a production dispute occurred when the Saudis reportedly walked out of a negotiating session where rival members voted to reduce OPEC output . Although Saudi delegates officially endorsed the new quotas , they stated anonymously that they would not observe them . The New York Times quoted one such delegate as saying : " Saudi Arabia will meet the market 's demand . We will see what the market requires and we will not leave a customer without oil . The policy has not changed . "

= = = 2014 ? 2016 oil glut = = =

During 2014 ? 2015 , OPEC members consistently exceeded their production ceiling , and China experienced a marked slowdown in economic growth . At the same time , US oil production nearly doubled from 2008 levels and approached the world @-@ leading " swing producer " volumes of

Saudi Arabia and Russia , due to substantial improvements in shale " fracking " technology in response to record oil prices . These developments led in turn to a plunge in US oil import requirements ( on a path toward energy independence ) , a record volume of worldwide oil inventories , and a collapse in oil prices that continued into early 2016 .

In spite of global oversupply , on 27 November 2014 in Vienna , Saudi Oil Minister Ali Al @-@ Naimi blocked appeals from poorer OPEC members for production cuts to support prices . Naimi argued that the oil market should be left to rebalance itself at lower price levels , strategically rebuilding OPEC 's long @-@ term market share by ending the profitability of high @-@ cost US shale oil production . As he explained in an interview :

Is it reasonable for a highly efficient producer to reduce output , while the producer of poor efficiency continues to produce ? That is crooked logic . If I reduce , what happens to my market share ? The price will go up and the Russians , the Brazilians , US shale oil producers will take my share ... We want to tell the world that high @-@ efficiency producing countries are the ones that deserve market share . That is the operative principle in all capitalist countries ... One thing is for sure : Current prices [ roughly US \$ 60 / bbl ] do not support all producers .

A year later , when OPEC met in Vienna on 4 December 2015 , the organization had exceeded its production ceiling for 18 consecutive months , US oil production had declined only slightly from its peak , world markets appeared to be oversupplied by at least 2 million barrels per day despite Libya producing 1 million barrels below capacity , oil producers were making major adjustments to withstand prices as low as the \$ 40s , Indonesia was rejoining the export organization , Iraqi production had surged after years of disorder , Iranian output was poised to rebound with the lifting of international sanctions , hundreds of world leaders at the Paris Agreement were committing to limit carbon emissions from fossil fuels , and solar technologies were becoming steadily more competitive and prevalent . In light of all these pressures , OPEC decided to set aside its ineffective production ceiling until the next ministerial conference in June 2016 . By 20 January 2016 , the OPEC Reference Basket was down to US \$ 22 @.@ 48 / bbl ? less than one @-@ fourth of its high from June 2014 ( \$ 110 @.@ 48 ) , less than one @-@ sixth of its record from July 2008 ( \$ 140 @.@ 73 ) , and back below the April 2003 starting point ( \$ 23 @.@ 27 ) of its historic run @-@ up .

As 2016 continued , the oil glut was gradually trimmed with significant production offline in the US , Canada , Libya , Nigeria and China , and the price gradually rose back toward US \$ 50 / bbl . OPEC maintained the status quo at its June conference , and endorsed " prices at levels that are suitable for both producers and consumers " , with the world waiting to see if and when and how the oil market would fully return to balance .