Syllabus subtopic: Bilateral, regional and global groupings and agreements involving India and/or affecting India’s interests

Prelims and Mains focus: about the recent oil supply cut by OPEC countries and the reasons behind it; OPEC and OPEC+

News: The Organization of the Petroleum Exporting Countries and its allies, known as OPEC+, may consider wrapping up their oil output reduction in 2020, Russian Energy Minister Alexander Novak said on Friday.

Context

- OPEC+ has been capping its output since 2017 in order to balance out the supply and demand on the global oil market as well as prop up oil prices.
- OPEC+ this month decided to prolong its oil output restriction deal until the end of March and to deepen the cuts in order to balance out the oil market.

About OPEC

- The Organization of the Petroleum Exporting Countries (OPEC) is a group of oil-producing nations that was first established in Baghdad, Iraq, in 1961.
- OPEC is one of the most powerful international organizations in the world and was a major player in the shift towards state control over natural resources.

Membership:

- The OPEC Statute distinguishes between the Founder Members and Full Members – those countries whose applications for membership have been accepted by the Conference.
- The Statute stipulates that “any country with a substantial net export of crude petroleum, which has fundamentally similar interests to those of Member Countries, may become a Full Member of the Organization, if accepted by a majority of three-fourths of Full Members, including the concurring votes of all Founder Members.”
- The Statute further provides for Associate Members which are those countries that do not qualify for full membership, but are nevertheless
admitted under such special conditions as may be prescribed by the Conference.

- As of January 2019, **OPEC has 14 member countries**: five in the Middle East (Western Asia), seven in Africa, and two in South America. The current OPEC members are the following: Algeria, Angola, Ecuador, Equatorial Guinea, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, the Republic of the Congo, Saudi Arabia, United Arab Emirates, and Venezuela.
- **Qatar left OPEC on 1 January 2019**, after joining the organization in 1961, **to focus on natural gas production**, of which it is the **world's largest exporter** in the form of liquified natural gas (LNG).
- Ecuador has announced that it will leave OPEC on 1 January 2020.

**About OPEC+**

- The **non-OPEC countries which export crude oil** are termed as OPEC plus countries.
- OPEC plus countries **include** Azerbaijan, Bahrain, Brunei, Kazakhstan, Malaysia, Mexico, Oman, Russia, South Sudan and Sudan.