

Opec's January oil output plunges on new cuts and Libyan unrest



LONDON (Reuters) – OPEC oil output plunged in January to a multi-year low as top exporter Saudi Arabia and other Gulf members overdelivered on a new production-limiting accord and Libyan supply dropped due to a blockade of ports and oilfields, a Reuters survey found.

On average, the 13-member Organization of the Petroleum Exporting Countries pumped 28.35 million barrels per day (bpd) this month, according to the survey. That is down 640,000 bpd from December's revised figure.

Despite the drop in supply, crude prices have slipped to below \$60 a barrel on concern that the coronavirus outbreak could cut China's oil demand. This has prompted OPEC and its allies to discuss holding an early meeting and taking further steps to support the market.

OPEC, Russia and other allies, known as OPEC+, agreed to deepen an existing supply cut by 500,000 bpd from Jan. 1 2020. OPEC's share of the new reduction is about 1.17 million bpd, to be made by 10 members, all except Iran, Libya and Venezuela.

The 10 OPEC members bound by the agreement easily exceeded the pledged cuts in January thanks to Saudi Arabia and its Gulf allies cutting more than called for to support the market.

OPEC complied with 133% of the pledged cuts in January, the survey found. In December, the group implemented 158% of the promised curbs.

January's output was the lowest by OPEC since 2009, the year in which the group implemented its biggest-ever supply cut due to the financial crisis, excluding membership changes that have taken place since then, according to Reuters surveys.

LIBYAN PLUNGE

Oil output in Libya has plunged since Jan. 18 due to a blockade of ports and fields by groups loyal to eastern-based commander Khalifa Haftar.

Production in Libya averaged 760,000 bpd during the month, the survey found, down from 1.15 million bpd in December.

Saudi Arabia trimmed supply from December's rate, voluntarily going beyond the reduction it is required to make under the OPEC+ accord. Gulf ally the United Arab Emirates also overdelivered, sources in the survey said.

The January survey suggests Nigeria and Iraq, both laggards in making cuts in 2019, achieved some progress. Both countries reduced output although they have more to do in later months.

Among countries pumping more, Venezuela, which is contending with U.S. sanctions imposed on state oil firm PDVSA and a

long-term decline in output, managed a small boost to supply with exports increasing in January.

Production from the other exempt producer Iran, under U.S. sanctions, was steady.

Ecuador left OPEC at the end of 2019, lowering OPEC production by about 500,000 bpd. The country has been removed from December's total to compare more easily production by remaining members.

The Reuters survey aims to track supply to the market and is based on shipping data provided by external sources, Refinitiv Eikon flows data and information provided by sources at oil companies, OPEC and consultants.