

Putin Says Countries in OPEC+ Deal Are Abiding by Agreement



OPEC+ states including Saudi Arabia are complying with the terms of the agreement to limit oil output, Russian President Vladimir Putin said.

“We have agreements within the OPEC+. We fulfill our agreements and we don’t have any news, any information, from our Saudi partners and any other OPEC member, that they are ready to exit these agreements,” Putin told reporters in Beijing on Saturday, where he participated in the Belt and Road forum.

On Friday, U.S. President Donald Trump tweeted that he “spoke to Saudi Arabia and others about increasing oil flow” and said that “all are in agreement” after the administration announced on Monday that it wouldn’t extend waivers for buyers of Iranian crude that had allowed them to continue purchases despite American sanctions.

Asked about Saudi Arabia possibly compensating for shortfalls of Iranian oil on the global market, Putin said he hoped that wouldn't happen and reiterated that countries should abide by the OPEC+ agreement.

The waivers expire on May 2 and China, India, Japan, South Korea, Italy, Greece, Turkey and Taiwan now face the prospect of having to find alternative supplies.

It's hard to forecast what will happen with the oil market in May when the waivers expire, Putin said. He said he didn't discuss the issue with Chinese President Xi Jinping, though added that Russia is willing to meet China's demands for oil.

'Colossal Potential'

"We can produce even more," Putin said. "We have colossal potential, but it's not about potential, it's about the fact that we have agreements with OPEC that we keep to a certain level of output."

It's unlikely that Saudi Arabia will abandon the OPEC+ pact that was reached in December and runs to the end of June, since it initiated the deal, Putin said. Russia joined the OPEC+ cooperation because a "coordinated price policy" was needed on the market, he said.

The Russian leader said he discussed the issue of contaminated oil in the Druzhba pipeline to Europe with Belarusian President Alexander Lukashenko. Transneft is investigating how the crude came to be contaminated and law enforcement may become involved if necessary, Putin said.

He told reporters that Russia's Arctic LNG 2 project won't affect pipeline gas supplies to China, which wants Russia to increase deliveries via the Power of Siberia link. Russia wants to increase LNG supplies to the world market to 100 million tons, he said.