
Russia should join OPEC and dictate oil price - Lukoil

Sunday, 21 Jun, 2009

Reuters quoted Mr Leonid Fedun LUKOIL Vice President made the remarks in an interview in the Kommersant newspaper on Wednesday, months after Russia's flirtation with OPEC ended that Russia should join OPEC so that the exporters' group can control more than half of world oil output and dictate its price.

Mr Fedun said "If Russia joined OPEC, which did not happen we could define the price precisely. We could decide that tomorrow the oil price would be USD 100 per barrel. Unfortunately Russia's political leaders did not go this route. He said that when asked a question about limiting the influence of speculators on the market that "Russia should join OPEC and move to direct contracts. Then we will jointly control 51% of world output and we can dictate the price by directive."

An episodic courtship between Russia, currently the world's largest producer of oil, and OPEC went cold earlier this year when Russia did not follow through on indications it might reduce output in sympathy with OPEC's planned cuts.

Analysts say production cuts by the Organization of the Petroleum Exporting Countries have essentially been subsidising Russia's oil-fuelled economy by supporting the price.

Russia, which had been sending high level observers to OPEC meetings, did not attend OPEC's last meeting in Vienna and official speculation on Russia's membership has also died down.

(Source from Reuters)

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