Declaration of Cooperation OPEC and non-OPEC

10 December 2016
30 November 2017

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Meeting of 24 Ministers from
OPEC and non-OPEC oil producing countries

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A meeting was convened at the OPEC Secretariat on 10 December 2016 in Vienna, Austria, to take into account current oil market conditions and short- to medium term prospects. The Ministers recognized the need for joint cooperation of the oil exporting countries, to achieve a lasting stability in the oil market in the interest of oil producers and consumers.

The Meeting was jointly chaired by **His Excellency Dr Mohammed Bin Saleh Al-Sada, President of the OPEC Conference and Minister of Energy and Industry of the State of Qatar and His Excellency Alexander Novak, Minister of Energy of the Russian Federation.**

The joint conference noted that OPEC Member Countries met on **30 November 2016** and decided to implement a production adjustment of **1.2 million barrels a day**, effective from **1 January 2017**. It was recorded that OPEC Member Countries, in agreeing to this landmark decision, which facilitated the implementation of the decision taken at the **170th (Extraordinary) Meeting of the OPEC Conference** in Algiers on **28 September 2016**, confirmed their commitment to a stable and balanced oil market and underscored the importance of other oil producing countries joining their efforts.

The desire of **Azerbaijan, the Kingdom of Bahrain, Brunei Darussalam, Equatorial Guinea, Kazakhstan, Malaysia, Mexico, the Sultanate of Oman, the Russian Federation, the Republic of Sudan,** and **the Republic of South Sudan**, as well as other non-OPEC producers, to achieve oil market stability in the interest of all oil producers and consumers was recognized. In this regard, the aforementioned countries proposed to adjust their oil production, voluntarily or through managed decline, **starting from 1 January 2017 for six (6) months**, extendable for another six (6) months, to take into account prevailing market conditions and prospects.

Azerbaijan, the Kingdom of Bahrain, Brunei Darussalam, Equatorial Guinea, Kazakhstan, Malaysia, Mexico, the Sultanate of Oman, the Russian Federation, the Republic of Sudan, and the Republic of South Sudan committed to adjust their respective oil production, voluntarily or through managed decline, in accordance with an accelerated schedule. The combined reduction adjustment was agreed at **558,000 barrels a day** for the aforementioned producers.

It was decided that two participating non-OPEC countries, **the Sultanate of Oman** and **the Russian Federation**, alongside three OPEC Members, **Algeria, Kuwait** and **Venezuela**, shall comprise a Joint Ministerial Monitoring Committee (JMMC). The JMMC shall be chaired by Kuwait with the Russian Federation as alternate chair and assisted by the OPEC Secretariat. The **Kingdom of Saudi Arabia**, holder of the OPEC Conference Presidency in 2017, would also attend the JMMC meetings.

Countries participating in the **Declaration of Cooperation** decided to strengthen their cooperation, including through joint analyses and outlooks, with a view to ensuring a sustainable oil market, for the benefit of producers and consumers and to regularly review at the technical and ministerial levels the status of their cooperation.

The Meeting recalled the rights of peoples and nations to permanent sovereignty over their natural wealth and resources.



Group picture of the 2nd OPEC and non-OPEC Producing Countries' Ministerial Meeting.



Group picture of the 3rd OPEC and non-OPEC Producing Countries' Ministerial Meeting.

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The Organization of Petroleum Exporting Countries (OPEC), Azerbaijan, Kingdom of Bahrain, Brunei Darussalam, Kazakhstan, Malaysia, Mexico, Sultanate of Oman, the Russian Federation, Republic of Sudan, Republic of South Sudan.

Recalling the rights of peoples and nations to permanent sovereignty over their natural wealth and resources;

Taking into account current oil market conditions and short- to medium-term prospects;

Recognising the need for joint cooperation of the oil exporting countries, to achieve a lasting stability in the oil market in the interest of oil producers and consumers;

Recalling that OPEC **Member Countries** met on **30 November 2016** and decided to undertake a production adjustment of **1.2 million barrels a day (mb/d) for six (6) months, effective from 1 January 2017**;

Recalling that on **10 December 2016, Azerbaijan, Kingdom of Bahrain, Brunei Darussalam, Equatorial Guinea, Kazakhstan, Malaysia,**

Mexico, Sultanate of Oman, the Russian Federation, Republic of Sudan, and **Republic of South Sudan** (participating non-OPEC producing countries in the **Declaration of Cooperation**), in their desire to achieve oil market stability in the interest of all producers and consumers, proposed to voluntarily adjust their oil production by **558 thousand barrels a day (tb/d)**, effective from **1 January 2017 for six (6) months**, which took into account prevailing market conditions and prospects;

Recalling that OPEC and the participating non-OPEC producing countries on **25 May 2017** amended the **Declaration of Cooperation** to extend for a further **nine (9) months** commencing on **1 July 2017**;

Noting that OPEC Member Countries at the **173rd Meeting of the Conference** considered that the current supply and demand fundamentals and its immediate prospects called for a further amendment to the **Declaration of Cooperation** of 25 May 2017 in order to fulfil the objective of rebalancing the market, despite the market improvement so far;

Noting that OPEC **Member Countries**, in agreeing to their above referenced decision, confirmed their commitment to a stable and balanced oil market and underscored the importance of the **broader participation** of other **oil producing countries** in the market balancing efforts;

Noting that OPEC and the participating non-OPEC producing countries considered the six (6) reports and the recommendations of the **Joint Ministerial Monitoring Committee** (JMMC), which considered several scenarios presented by the **Joint Technical Committee** (JTC) regarding the extension of the **Declaration of Cooperation**;

Noting that OPEC and participating non-OPEC countries accepted the recommendation of the **JMMC**, composed of **Algeria, Kuwait, Venezuela, Saudi Arabia** and two participating non-OPEC countries – the **Russian Federation** and Oman – chaired by Kuwait, and co-chaired by the Russian Federation, and decided that the JMMC should continue monitoring conformity levels, as well as market conditions and its immediate prospects, and recommend further actions, if deemed necessary;

and furthermore, that the **JTC**, supported by the **OPEC Secretariat**, shall continue to provide its monthly technical assistance to the Bodies of the **Declaration of Cooperation**;

Recognising the desire of OPEC and the participating non-OPEC countries to achieve oil market stability in the interest of all oil producers and consumers;

Recognising the importance of conforming to the content of the Declaration of Cooperation;

Convinced of the necessity to jointly cooperate to help stabilize the oil market;

OPEC and the aforementioned non-OPEC producing countries have reached the following commitment:

- OPEC maintains its decisions made on **30 November 2017**;

- The **Declaration of Cooperation** is hereby amended to take effect for the whole year of **2018** from **January to December 2018**, while pledging full and timely conformity of OPEC and participating non-OPEC countries in accordance with voluntary agreed production adjustments.

- In view of the **uncertainties** associated mainly with **supply** and, to some extent, **demand growth** it is intended that in **June 2018**, the opportunity of further adjustment actions will be considered based on prevailing market conditions and the progress achieved towards re-balancing of the oil market at that time.

- **Azerbaijan, Kingdom of Bahrain, Brunei Darussalam, Kazakhstan, Malaysia, Mexico, Sultanate of Oman, the Russian Federation, Republic of Sudan, Republic of South Sudan** maintain to continue to adjust their respective oil production, voluntarily or through managed decline.

- Pledge to fulfil their full commitment under this **Declaration of Cooperation**, individually and collectively;

- To **strengthen** their cooperation through a dynamic and transparent framework, including regular monitoring, joint analyses and outlooks for a **sustainable market stability** in the medium- to long-term, for the benefit of producers and consumers;

- To support the extension of the mandate of the Joint Ministerial Monitoring Committee (JMMC) composed of **Algeria, Kuwait, Venezuela, Saudi Arabia** and two participating non-OPEC countries of the **Russian Federation** and **Oman**, chaired by **Saudi Arabia**, co-chaired by the **Russian Federation**, and assisted by the Joint Technical Committee at the OPEC Secretariat, to closely review the status of and conformity with the Declaration of Cooperation and report to the OPEC – non OPEC Conference;

- To ensure **continuity** and **proactive cooperation** through established **regular meetings** at **technical** and **ministerial** levels.

The foregoing record represents the understanding reached between **OPEC and the Heads of Delegation of Azerbaijan, Kingdom of Bahrain, Brunei Darussalam, Kazakhstan, Malaysia, Mexico, Sultanate of Oman, the Russian Federation, Republic of Sudan, Republic of South Sudan** upon the matters referred to therein.