

Oil prices to rise as two million fewer barrels to be produced each day

Two million fewer barrels of oil are to be produced each day, equivalent to 2% of global supply, the Organisation of the Petroleum Exporting Countries (Opec) and Russia have agreed.

The move is an effort to increase prices in countries feeling the heat from high energy costs.

Group members Saudi Arabia and Russia have led the group to cut output which is the sharpest decline since the early days of the pandemic when demand collapsed and oil prices dropped steeply.

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The announcement has been widely expected and oil prices had risen 5% since Friday. The benchmark of oil prices, Brent crude, rose to \$91.95 (£81.69) following news of the production cut.

Prices had dropped to about \$90 (£79.93) a barrel, down from highs of \$120 (£107) three months ago, amid fears of a global economic recession that would reduce demand.

Officials in the Joe Biden Whitehouse had been lobbying Opec members to avoid production cuts which would raise oil prices in the run-up to the American midterm elections.

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Since Russia's invasion of Ukraine, the Biden administration has called for production to be kept high to ease energy security and reduce price pressure.

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"The decision is technical, not political," United Arab Emirates Energy Minister Suhail al-Mazroui told reporters

ahead of the Opec meeting.

“We will not use it as a political organisation,” he said, adding that concerns about a global recession would be one of the key topics.”