



KAMARAJ IAS ACADEMY
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OPEC+ Decision to Raise Oil Output Targets Amid West Asia Crisis

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The OPEC+ (OPEC Plus) countries have agreed in principle to increase oil output targets for June 2026 amid ongoing geopolitical tensions in West Asia.?

Key Decision Taken

Seven OPEC+ countries agreed to raise oil output by ~188,000 barrels per day (bpd) for June 2026

Decision taken during a virtual meeting of member countries

This marks the third consecutive monthly increase in production targets

Participating Countries

Key countries involved include:

Saudi Arabia

Russia

Iraq

Kuwait

Algeria

Kazakhstan

Oman

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Context: West Asia Conflict & Energy Crisis:

The decision comes amid ongoing West Asia geopolitical conflict, particularly involving Iran

Closure/disruption of the Strait of Hormuz, a critical oil transit route

Around 20% of global oil supply passes through this strait

The disruption has caused:

Sharp rise in global oil prices

Supply shortages and volatility

Concerns over inflation and global economic slowdown

Impact of UAE Exit from OPEC+

The United Arab Emirates (UAE) exited OPEC/OPEC+ in May 2026

After its exit, OPEC+ now has around 21 members

The move is expected to:

Affect cohesion within the oil cartel

Alter global oil supply dynamics

Objectives Behind Output Increase:

Ensure stability in global oil markets

Offset supply disruptions caused by conflict

Maintain confidence in OPEC+ coordination

Demonstrate continued control over oil production policy

Significance for Global Economy

Limited practical impact due to supply disruptions in the Gulf region

Highlights vulnerability of global energy markets to geopolitical shocks

Important for countries like India due to high dependence on oil imports

May influence:

Inflation trends

Trade deficits

Energy security policies

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