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***In the World Press***

# New OPEC game plan

**T**HE Organisation of Petroleum Exporting Countries (OPEC) has lost its way. The group, which was founded on the mandate of stabilising oil markets to safeguard the revenues of oil producers, last November abandoned this time-tested policy in a panicky attempt to grab market share away from US shale oil producers. It did this by increasing production and forcing crude prices lower, hoping to bankrupt the competition.

The result has been disastrous for some Opec producers, especially those with a one-track revenue source. There is an endless glut of over one million barrels of oil a day and prices are reaching a 10-year

low. While OPEC did manage to slow US competition, shale producers are now a more confident force than ever, viewed by some as having taken over the role of "swing producers", the strategic role that OPEC once played.

This policy shift has also put OPEC member countries into a position that will be difficult to extract themselves from. The US, rather than sell at a loss, instead has built up a stockpile of untapped oil it can pump at will. This means that any attempt by OPEC to raise prices by using its traditional method of cutting production will be counteracted by US shale producers, who can raise their production and steal back OPEC's market share.

*Gulf News/UAE*