

No Breakthrough Anticipated at Russia-Venezuela Oil Meeting – Source

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Venezuela's President Nicolas Maduro

A meeting between Russian President Vladimir Putin and his Venezuelan counterpart Nicolas Maduro, during which they will discuss stabilizing oil prices, is unlikely to yield any concrete results, a senior Russian source said on Wednesday.

Putin and Maduro will attend a military parade in Beijing marking 70 years since the end of World War II in Asia. They will hold a bilateral meeting to discuss "possible mutual steps" to stabilize global oil prices, according to the Kremlin.

Russia, one of the world's top oil producers, so far has been unwilling to deliberately cut its crude oil output to support prices, saying it would later be virtually impossible to restart pumping oil at wells that mostly sit in the harsh climate of Siberia.

A senior source in the Russian government played down the significance of the meeting,

saying the presidents would mostly discuss mutual cooperation and Russian ties with the Organization of the Petroleum Exporting Countries (OPEC).

"They will exchange their views on the oil market, that's it. It is highly unlikely that any measures will be agreed to prop up prices. How can you imagine two countries cutting their production? Their market share will be quickly snapped up by others in that case," he said.

Russian Deputy Prime Minister Arkady Dvorkovich also said on Tuesday Russia would not artificially cut oil production.

Russia, not an OPEC member, has been ramping up output this year, extracting it at a post-Soviet record high of around 10.7 million barrels per day.

The economies of both Russia and Venezuela are highly dependent on proceeds from the sale of oil, the price of which has almost halved since last year due to oversupply.

Cash-strapped Venezuela has been a historic price hawk, and a severe recession and product shortages have heightened Maduro's need for a market recovery. It has been pushing for a new deal between OPEC and non-OPEC nations to stabilize prices.

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