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No. 6363

**IRAN, IRAQ, KUWAIT, SAUDI ARABIA,
VENEZUELA, etc.**

**Agreement concerning the creation of the Organization of
Petroleum Exporting Countries (OPEC). Done at
Baghdad, on 14 September 1960**

Official text: English.

Registered by Iran, Libya, Saudi Arabia and Venezuela on 6 November 1962.

**IRAN, IRAK, KOWEÏT, ARABIE SAOUDITE,
VENEZUELA, etc.**

**Accord portant création de l'Organisation des pays expor-
tateurs de pétrole. Fait à Bagdad, le 14 septembre 1960**

Texte officiel anglais.

*Enregistré par l'Iran, la Libye, l'Arabie Saoudite et le Venezuela le 6 novembre
1962.*

No. 6363. AGREEMENT¹ CONCERNING THE CREATION OF THE ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES (OPEC). DONE AT BAGHDAD, ON 14 SEPTEMBER 1960

By invitation of the Republic of Iraq, the Conference of the Petroleum Exporting Countries, composed of representatives of the Governments of Iran, Iraq, Kuwait, Saudi Arabia and Venezuela, hereafter called Members, met at Baghdad from the 10th to the 14th September, 1960, and having considered :

That the Members are implementing much needed development programmes to be financed mainly from income derived from their petroleum exports;

That Members must rely on petroleum income to a large degree in order to balance their annual national budgets;

That Petroleum is a wasting asset and to the extent that it is depleted must be replaced by other assets;

That all nations of the world, in order to maintain and improve their standards of living must rely almost entirely on petroleum as a primary source of energy generation;

That any fluctuation in the price of petroleum necessarily affects the implementation of the Members' programmes, and results in a dislocation detrimental not only to their own economies, but also to those of all consuming nations

Have decided to adopt the following Resolutions :

RESOLUTION I. 1

1. That Members can no longer remain indifferent to the attitude heretofore adopted by the Oil Companies in effecting price modifications;

¹ Came into force on 1 October 1960, the date agreed upon by the original members of the Organization. Pursuant to resolution I.3, the notifications of approval of the Agreement on their behalf were received by the Chairman of the First Conference on the dates indicated :

Iran	2 October	1960	Saudi Arabia	6 October	1960
Iraq	27 September	1960	Venezuela	30 September	1960
Kuwait	19 September	1960			

The Agreement came into force subsequently in respect of the following members upon their admission to the Organization on the dates shown below :

Qatar	15 January	1961	Libya	7 July	1962
Indonesia	7 July	1962			

2. That Members shall demand that Oil Companies maintain their prices steady and free from all unnecessary fluctuations; that Members shall endeavour, by all means available to them, to restore present prices to the levels prevailing before the reductions; that they shall ensure that if any new circumstances arise which in the estimation of the Oil Companies necessitate price modifications, the said Companies shall enter into consultation with the Member or Members affected in order fully to explain the circumstances;

3. That Members shall study and formulate a system to ensure the stabilisation of prices by, among other means, the regulation of production, with due regard to the interests of the producing and of the consuming nations, and to the necessity of securing a steady income to the producing countries, an efficient economic and regular supply of this source of energy to consuming nations, and a fair return on their capital to those investing in the petroleum industry;

4. That if as a result of the application of any unanimous decision of this Conference any sanctions are employed, directly or indirectly, by any interested Company against one or more of the Member Countries, no other Member shall accept any offer of a beneficial treatment, whether in the form of an increase in exports or an improvement in prices, which may be made to it by any such Company or Companies with the intention of discouraging the application of the unanimous decision reached by the Conference.

RESOLUTION I. 2

1. With a view to giving effect to the provisions of Resolution No. 1 the Conference decides to form a permanent Organization called the Organization of the Petroleum Exporting Countries, for regular consultation among its Members with a view to coordinating and unifying the policies of the Members and determining among other matters the attitude which Members should adopt whenever circumstances such as those referred to in Paragraph 2 of Resolution No. 1 have arisen.

2. Countries represented in this Conference shall be the original Members of the Organization of the Petroleum Exporting Countries.

3. Any country with a substantial net export of Crude Petroleum can become a new Member if unanimously accepted by all five original Members of the Organization.

4. The principal aim of the Organization shall be the unification of petroleum policies for the Member Countries and the determination of the best means for safeguarding the interests of Member Countries individually and collectively.

5. The Organization shall hold meetings at least twice a year and if necessary more frequently in the capital of one or other of the Member Countries or elsewhere as may be advisable.

6. (a) In order to organize and administer the work of the Organization there shall be established a Secretariat of the Organization of the Petroleum Exporting Countries.

(b) A subcommittee of not less than one member from each country shall meet in Baghdad not later than the first of December 1960 in order to formulate and submit to the next Conference draft rules concerning the structure and functions of the Secretariat; to propose the budget of the Secretariat for the first year; and to study and propose the most suitable location for the Secretariat.

RESOLUTION I. 3

1. Members participating in this Conference shall before September 30th submit the texts of the Resolutions to the appropriate Authority in their respective countries for approval, and as soon as such approval is obtained shall notify the Chairman of the First Conference (Minister of Oil of the Republic of Iraq) accordingly.

2. The Chairman of the Conference shall fix, in conjunction with the other Members, the date and place of the next Conference.

DONE at Baghdad this 14th day of September, 1960.

The Head of the Delegation
of the Government of Iran :

(Signed) Fuad ROUHANI

The Head of the Delegation
of the Republic of Iraq :

(Signed) Dr. Tala'at AL-SHAIBANI

The Head of the Delegation
of Kuwait :

(Signed) Ahmed Sayid OMAR

The Head of the Delegation
of Saudi Arabia :

(Signed) Abdulla AL-TARIKI

The Head of the Delegation
of Venezuela :

(Signed) J. P. PÉREZ ALFONZO