After the 1986 oil price shock, many nation states and oil-producing regions sought to come together and determine how oil prices should be set. As a result, OPEC emerged and became the main institution in determining how oil prices should be set. OPEC itself had its origins in the early years of the oil industry when it was formed in 1960. Its objective was to manage oil production and create a sense of stability in oil prices and supplies. OPEC is able to set oil prices because it has a significant amount of control over oil production and distribution. As a result, OPEC sets the rules for oil prices and it also has a large influence on how oil prices are set.