

Even Saudi Arabia Threatens to Ditch Dollar for Oil Trade over US Bullying Policies

The U.S. traditional ally will stop using dollars if the No Oil Producing and Exporting Cartels Act (NOPEC) is approved.

By [Telesur](#)

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Saudi Arabia threatens to sell oil in currencies other than the dollar if Washington passes a bill exposing the [Organization of Petroleum Exporting Countries \(OPEC\)](#) to U.S. antitrust lawsuits.

The No Oil Producing and Exporting Cartels Act (NOPEC), which was introduced by Democrat Senator Herb Kohl in 2000 and received backing from [Donald Trump](#) in 2011, has never been approved and has little chance of being passed.

This legislative proposal aims to allow OPEC oil companies to be sued under the U.S. antitrust law for their attempts to set international prices by limiting oil supplies, a practice which has been regularly applied as a way of stabilizing the global market.

The Saudi Arabian threat makes visible a growing discontent over the way the U.S. treats OPEC countries. According to Reuters, senior Saudi energy officials have been analyzing the ditching-dollar-oil-trades possibility for several months and would have already mentioned reported it to U.S. officials.

In the unlikely event that Saudi Arabia were to adopt this new policy, it would undermine the dollar status as an international reserve currency, which could weaken in turn the U.S. ability to enforce economic sanctions on nation states.

“The Saudis know they have the dollar as nuclear option” and if Washington and Trump “let the NOPEC pass ... it would be the U.S. economy that would fall apart,” the source added in comments to Reuters.

[#US](#) imposed sanctions this Friday to vessels and companies engaged in oil shipments between [#Cuba](#) and [#Venezuela](#), a lawful activity under commercial contracts. These measures are an act of extraterritoriality, interference and imperial arrogance. [pic.twitter.com/vAt7j3kftF](#)

— Miguel Díaz-Canel Bermúdez (@DiazCanelB) [April 6, 2019](#)

Russia, China and some European countries have been calling for reducing the dollar's influence in international trade. If this happens, the U.S. would lose a significant part of its ability to control both the world economy and its own growth.

Due to President Trump's aggressive foreign policy, however, Russia, Venezuela and Iran, all of which are being placed under harsh U.S. economic sanctions have been selling their oil in Euros, Yuans or other traditional or virtual currencies.

Non-dollar oil contracts are concrete challenges to the U.S. hegemony at the oil market. If Saudi Arabia makes a move in that sense, it would also mean a heavy blow to the U.S. geopolitical strategies.

Saudi Arabia, which controls a 10th of global production, made oil deals for US\$356 billion in 2018, which made it the world's biggest oil exporter.

At a price of US\$70 per barrel, the global oil output is estimated to be about US\$2.5 trillion. At least 60 percent of this amount is now being traded in dollars.

In addition, oil futures and options trading reached a nominal value of US\$5 trillion in 2018, as reported by Reuters.

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