

Riyadh is ready to hit the dollar

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Twitter US President Donald Trump is demanding a reduction in the price of oil to \$ 30 a barrel. So it will be so (for sure it would have been a year ago), but not now. Saudi Arabia is the most reliable partner of the United States and the leader of the Arab world objects. And not only objects, but promises to bring down the American currency, refusing to calculate in dollars for the supply of oil. The US is preparing to adopt the NOPEC Act.

Looks like a fantastic movie plot. But no. This is the current reality. And the result of the short-sighted policy of the American authorities.

Donald Trump has long thought about lowering the price of gasoline. This would significantly increase his ratings in the upcoming presidential elections in 2020. To achieve this result, it is necessary to reduce the price of oil. And Trump wrote about it on his twitter ... For some reason, it didn't work. Then he decided to implement the idea of adopting a law on sanctions against OPEC countries for cartel collusion (No Oil Producing and Exporting Cartels Act), which was raised during the presidency of B.Obama. This law was approved by the Legal Committee of the House of Representatives in February of this year. And declares illegal the decisions of OPEC, as well as any joint actions of the governments of other countries (except the USA), aimed at restricting oil production and regulating the prices of raw materials.

With the adoption of the law, the American courts will be able to arrest the accounts and property of OPEC member countries and other countries involved in regulating the level of oil production.

The Americans are confident that the adoption of the law will provoke a decrease in oil prices, which will lead to a decrease in gasoline prices in the United States and will increase Trump's pre-election rating. This is on the one hand. And on the other experts, in particular, the head of BP, Robert Dalli, said about the negative consequences of the act against OPEC. In particular, UAE Energy Minister Suheil Al-Mazrui expressed confidence that this decision would destroy the US shale oil industry. And the reason is simple. OPEC will stop working, and each of the countries will increase production to the maximum, oil prices will fall. And American shale companies will go bankrupt. Because (according to the statement of the head of one of the leading US oil shale companies Hess, John Hess), when the oil price is below \$ 50-60 per barrel, this industry will become unprofitable.

And that is not all. In Riyadh, Washington officials were warned that immediately after this decision, the Kingdom would begin selling oil „for currencies other than the dollar.” So far, this information has not been denied by diplomats, and therefore it should be considered.

It is hard not to reckon with such a warning. Given that there are already precedents. China, the EU and Russia are also calling for a move away from the dollar as a single currency in international trade. Thus, Russia and Iran expressed their readiness to sell oil for euros and yuan, and the first transactions in national currencies have already been made.

On the one hand, the adoption of the NOPEC act will allow the United States to rob countries exporting oil, get additional PR and assert themselves in opinions about boundless American greatness and omnipotence. On the other hand, when adopting the Act, Riyadh will be forced to embody its threats. This could bring down the dollar and significantly shake the US economy.

I hope that the US Congress will have enough wisdom not to

begin to face sanctions against Saudi Arabia. After all, none of the countries will not benefit from this.

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