



BOOM! Saudi Arabia Announces End of US Petro Dollar

Description

The Kingdom of Saudi Arabia announces that they officially are open to settling trade for Oil and Natural Gas in currencies other than the US dollar.

Details as I get them.

UPDATE:

The remark above came from the kingdom's finance minister, Mohammed Al-Jadaan.

The Saudi riyal has been pegged to the U.S. dollar for decades, while the Saudi oil exports continue to support the petrodollar system from the 1970s in which the world's top oil exporter prices its crude in U.S. dollars.

However, Saudi Arabia is willing to deepen its strategic cooperation in oil trade with China, the world's largest crude oil importer.

Last month, China and Saudi Arabia agreed to expand crude oil trade as they upgraded their relations to a strategic partnership during the visit of Chinese President Xi Jinping in the Saudi capital Riyadh.

China, for its part, plans to make its own currency, the yuan, more prominent in international oil trade.

During a visit to Saudi Arabia last month, Xi Jinping pledged to ramp up efforts to promote the use of the yuan in energy deals, suggesting at a summit in the Saudi capital that the Gulf Cooperation Council (GCC) countries should make full use of the Shanghai Petroleum and Natural Gas Exchange to carry out its trade settlements in yuan.

Saudi Arabia is one of the largest oil exporters in the world. The country has always maintained a currency back to the dollar until now. Saudi Arabia is also trying to strengthen its relationship with China. The duo had earlier come to an agreement to ramp up coordination on energy exploration and policy.

by Hal Turner

Category

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