

# The UAE's Withdrawal from OPEC: Its Reasons and Implications

(Translated)

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The UAE officially announced its withdrawal from OPEC and the OPEC+ alliance on May 1, 2026. This decision, which at first glance may seem like a mere technical economic step to increase production from 3.4 million to 5 million barrels per day, is in fact an indicator of significant changes that may occur in the current global financial order, reflecting various international conflicts. However, the UAE hopes to increase its oil production to finance massive projects it is undertaking, particularly the International Trade and Economic Cooperation (IMEC) project, which connects ports in western India with the ports of Jebel Ali and Khalifa in the UAE, and subsequently, the railway lines linking the UAE to the occupied port of Haifa via Saudi Arabia and Jordan. The UAE found in its need to raise its oil production ceiling a pretext for withdrawing from OPEC and OPEC+.

While this withdrawal weakens OPEC, at least formally and politically, OPEC and OPEC+ countries are not incapable of compensating for the UAE's production, and distributing its quotas among the remaining countries. As for the UAE, in order to market its oil independently of OPEC, it will have to sell at prices lower than OPEC prices, in addition to relying more heavily on international companies operating within it, such as the British oil companies BP and Shell, and the French company Total.

The Organization of the Petroleum Exporting Countries (OPEC) was founded in 1960 by five countries: Saudi Arabia, Iraq, Kuwait, Iran, and Venezuela. Notably, all of them, except Venezuela, were under British influence, suggesting that OPEC, from its inception, served British interests. The United Arab Emirates joined OPEC in 1967, before it had gained independence; it was then known as the Emirate of Abu Dhabi. However, British political influence within OPEC waned after the United States replaced it in Saudi Arabia and Iraq, then militarily occupied Kuwait in 1991, and eliminated British influence in Iran starting in 1979. In other words, all the founding members, including Venezuela, became subject to American influence in one way or another.

The United States recognized the significant importance of OPEC after it decided to abandon the gold standard and the Bretton Woods Agreement, which had based the dollar on gold at a rate of \$35 per ounce. The US found its answer in oil, the lifeblood of the global economy. Although OPEC was not under American control, and King Faisal of Saudi Arabia was not a US agent, the US was able to influence OPEC and its leader, Saudi Arabia, by enticing them with the possibility of raising oil prices more than fivefold, from \$2.25 to \$12 between 1972 and 1974. This was achieved through the October War of 1973, waged by Egypt and Syria against the Jewish entity. Thus, the US exploited OPEC very effectively, leading to the creation of the petrodollar system, which stipulates that the issuance of dollars is proportional to the volume of oil trade conducted exclusively in dollars.

This petrodollar system remained largely stable until nine new countries joined OPEC, forming what has been known since 2016 as OPEC+. Since then, speculation has grown about the possibility of trading oil outside the dollar system, to the point where the volume of oil traded outside the petrodollar system has reached 20% of global trade. With the UAE now free from the obligation to sell oil in dollars, the volume of oil sales outside the petrodollar system is likely to increase.

While it is true that oil-producing countries, whether in OPEC or OPEC+, own the oil fields, real control over oil prices remains in the capitals of both modern and old colonialist powers: the United States and Britain, and to a lesser extent France, through what are known as the Big Six: ExxonMobil, Chevron, and ConocoPhillips (USA), Shell, BP (UK), and Total (France).

These companies are not merely economic entities; they are political arms operating according to a strategy of external control. While the countries possess the physical reserves, the six companies control deep extraction technology, global refining networks, and, most importantly, they own the paper oil trade through the New York and London stock exchanges, where phantom barrels worth thirty times the real oil are traded, on paper. Here, the price is determined according to the interests of the major investment funds on Wall Street and the City of London, making oil-producing countries hostage to the fluctuations of stock exchanges in which they have no voting rights.

Viewing oil as a tool of colonialism is not merely a historical recollection, but a lived reality in 2026. Controlling energy resources and the waterways that transport oil across continents means controlling the pulse of global industry and wielding power over centers that need this vital resource but lack it, such as Europe and China. Today, America uses oil as a tool for sanctions, directly, as with Iran and the Gulf states, or indirectly, as with Europe and China. Russia and Britain, however, are largely immune to these sanctions due to their oil fields or giant oil companies, such as Shell and BP, which acquired the American company Amoco.

As for America's loss of 20% of its dollar production capacity due to oil sales outside the dollar system, the US has been working for years to establish a new dollar production system to compensate for its financial losses, or ultimately to completely replace the petrodollar system, especially if maintaining it requires ongoing geopolitical conflicts. For over 15 years, the US has been implementing a currency swap system, which the Federal Reserve calls swap lines. The US aims to eventually develop this system to replace the World Bank and the International Monetary Fund, thus finally dismantling the remnants of the post-World War II financial system established by the Bretton Woods Agreement. Strikingly, the US abandoned the gold standard amidst a brutal war in the Middle East, and now it seeks to alter or dismantle what remains of Bretton Woods through an even more devastating conflict in the region, a move that will only exacerbate poverty and plunge populations deeper into hardship and destitution.

The ugliness of this colonialist influence is evident when one considers countries that possess black gold but live in darkness of poverty. Nigeria, Africa's largest oil producer, is the most painful example. While major companies like Shell and Total reap billions of dollars in profits from the Niger Delta fields, the country suffers from poverty rates exceeding 40%, catastrophic environmental degradation, and food insecurity. Similarly, Indonesia, once an active member of OPEC before suspending its membership, has been transformed from an oil exporter to an importer due to a lack of local technology and an excessive reliance on foreign companies for drilling and exploration. This has left its budget at the mercy of global stock market prices, controlled by trading centers in Texas and London.

Oxfam reports in April 2026 revealed that the six largest oil companies generate profits of nearly \$3,000 per second, reflecting the scale of this systematic plundering of resources. While developing countries suffer from crippling debt and the consequences of climate change, these profits are used to bolster the financial power of Western shareholders, buy political allegiances, and wage wars against their own people.

True liberation for oil-producing states begins not merely with withdrawing from international organizations, as the UAE and Qatar have done, but with mastering technology and establishing independent pricing centers capable of breaking the monopoly of Western stock exchanges. Before and after all this, liberation from political dependence on America and Britain in all aspects of life is essential. Without this, the barrel of oil will remain a chain linking the destinies of nations in Nigeria, Indonesia, and other oil-producing countries to Western capitals and the millstone of colonialism, all under the guise of free trade and shared interests!