

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Series of Questions Addressed to the Eminent Scholar Ata Bin Khalil Abu Al-Rashtah, Ameer of Hizb ut Tahrir through his Facebook Political Page

Answer to Question

The World Oil Markets

To: Abdul Al-Aziz Almanis

(Translated)

Question:

Assalamu Alaikum Wa Rahmatullah Wa Barakatuh our precious Ameer;

May Allah grant you a great powerful victory and establish the Khilafah by your hands.

My question concerning the first reason (the world oil markets) leading to tension between America and Iran in the answer to the question: The Reality of tension between America and Iran in the region.

How can the increase in the price of oil fit the cost of oil shale production?

Doesn't the increase adversely affect America? We have also seen Trump repeatedly ordering agents to cut production.

Answer:

Wa Alaikum Assalam Wa Rahmatullah Wa Barakatuh

Regarding your question:

(How can the increase in the price of oil fit the cost of oil shale production?)

Doesn't the increase adversely affects America, and we have seen Trump repeatedly ordering agents to cut production?)

We explained the answer in our publication on this issue dated 12/7/2019, and perhaps it is available to you now, it contains a clear answer to your question, especially what is stated in it:

(2. In order for coordination to become a reality on the ground, Saudi-Russian relations improved considerably after 2014, and on 4/10/2017 King Salman paid a visit to Moscow, the first by a Saudi king to visit Russia. Several meetings were held between the Russian President and the Saudi Crown Prince, and Russia was tempted by the possibility to direct the large arms contracts of Saudi Arabia towards Russia's military factories, and thus, Russia and Saudi Arabia inaugurated a new era of oil relations between them. All this was in the era of America's agent Salman and his son. The Saudi-Russian efforts were concluded on 30/11/2016 with the signing of the first agreement to reduce oil production between OPEC and 11 other countries, led by Russia, whereby OPEC has cut production by 1.2 million barrels per day, while

the other 11 states reduced their production by 560 thousand barrels per day, and Russia's share alone of this cut was 300 thousand barrels per day. Prior to this agreement, Saudi Arabia threatened to flood markets with oil, which encouraged Russia to coordinate with it for fear of dumping and price declines, thereby preventing financial hardship in Russia, whose budget is about 50% dependent on energy imports (oil and gas).

3. This agreement had a positive impact on oil prices, and the price of a barrel of oil rose immediately after the signing of the agreement, but that agreement was for six months, followed by a long debate to extend the agreement. Russia, in general, especially as the oil price was good, wanted to increase its production to support its budget, while Saudi Arabia constantly wants to continue to reduce production as its fixed policy, although it threatens from time to time to give free reign to the market, i.e. threatening to significantly increase in production, and this threat has always been in the face of Russia's attempts to end production cuts. In an open game for those who have sight, the US president asked Saudi Arabia to increase oil production to curb prices to encourage Russia to re-engage in production cuts with Saudi Arabia. Russia appears as if it is resisting the US president's policy and fears Saudi Arabia's response to him, so, Russia rushes forced to coordinate with Saudi Arabia to reduce production. As an example, [In a tweet on Saturday, Trump said that he spoke to King Salman bin Abdul Aziz and asked him to increase Saudi Arabia's oil production, maybe up to 2,000,000 barrels, to stop its price rise and that King Salman had agreed to his request. (Al-Arabi Al-Jadeed 1/7/2018)] **End quote.**

You can view the full answer for your benefit; it has the complete reply... and Allah knows Best He is Most Wise.

And accept my greetings

Your brother,

Ata Bin Khalil Abu Al-Rashtah

3 Dhul Hijjah 1440 AH

4/8/2019 CE

The link to the answer from the Ameer's Facebook page:

<https://web.facebook.com/AmeerhtAtabinKhalil/photos/pb.122848424578904.-2207520000.1565196266./1113618688835201/?type=3&theater>