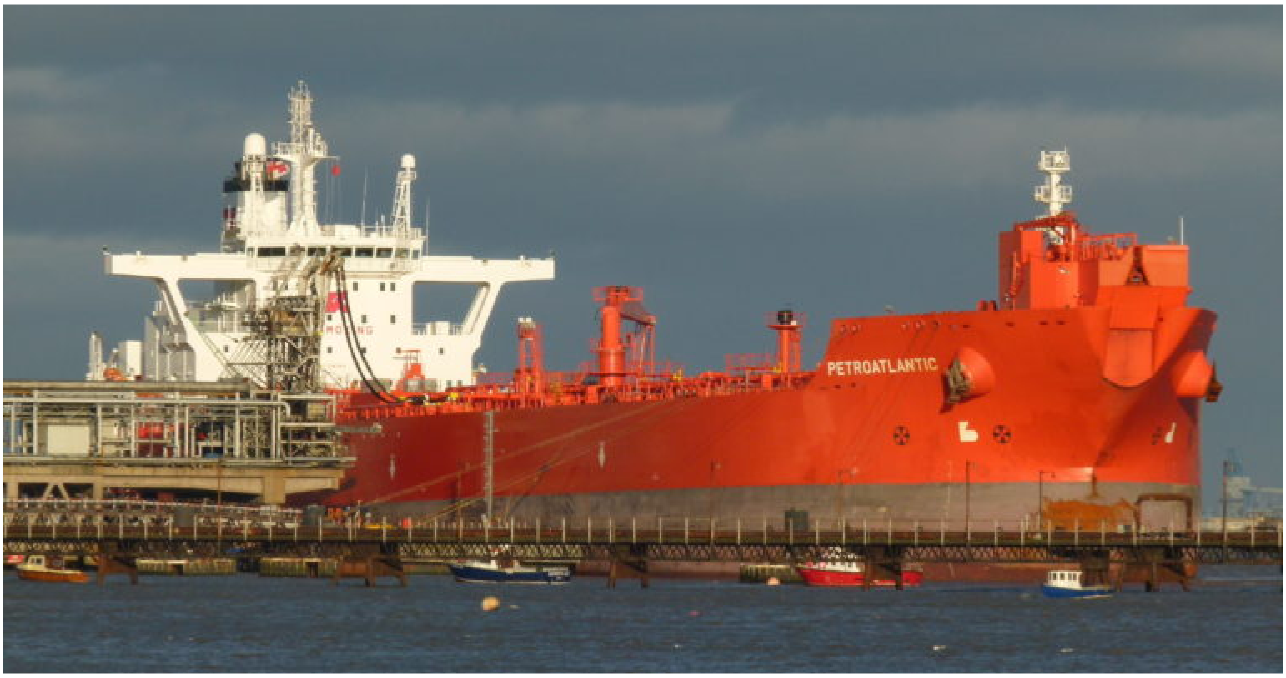
Kristian Ulrichsen: Leaving OPEC Reinforces Qatar’s Autonomy



Kristian Ulrichsen, a Baker Institute fellow and author of “The Gulf States in International Political Economy,” published an op-ed in The New York Times this week on the logic behind Qatar’s decision to leave the Organization of Petroleum Exporting Countries, commonly known as OPEC.

According to Ulrichsen, OPEC has become mired in geopolitical disputes like the Saudi-Iranian rivalry, to the detriment of its member states and its central mission to stabilize international petrochemical markets.

Qatar has persisted in its mission to serve as a secure natural gas exporter. Qatar provides more than half of India’s natural gas imports, as well as 14-15% of China’s, Japan’s, and the UK’s, according to the MIT Observatory of Economic Complexity. Following the illegal blockade, Qatar signed long-term natural gas agreements with China, Japan, and the UK. Qatar even still provides natural gas to the United Arab

Emirates through the Dolphin Pipeline, despite the blockade.

Qatar remains committed to the central mission of mission of OPEC – maintaining a stable international market for petrochemical products. Its decision to increase natural gas exports was in response to a projected increase in international demand, according to then-CEO of Qatar Petroleum, Saad Sherida Al Kaabi. Qatar Petroleum is investing $20 billion in U.S. oil and gas fields, most notably the Golden Pass LNG terminal in Texas, even though the U.S.'s LNG exports will inevitably compete against Qatar's primary source of revenue in the global market.

Qatar's departure from OPEC is a business decision, allowing Qatar the autonomy to develop its natural gas resources – its foremost economic strength – independent of other members' geopolitcal agendas.