

Comments on PetroYuan & GCC commitments to energy transition in Energy Intelligence, Nov 2024

Dr. Nasser Saidi's comments on the PetroYuan appeared in an article titled "[Oil Dollar Pricing Seen Staying, But New Payment Modes Emerging](#)" in Energy Intelligence, published on 8th November 2024. The comments are posted below.

Nasser Saidi, president of Nasser Saidi & Associates, an economic advisory and business consultancy and founder of the Clean Energy Business Council Mena, believes alternatives are no longer pipedreams.

"As geo-eco-political tensions increase and global economic and trade fragmentation increases as a result of Cold War II, we will witness the growth of the PetroYuan for financing China's O&G with its major oil exporters, Saudi Arabia, the UAE and other GCC countries," he told Energy Intelligence.

He cited reports of Indian oil refiners making payments in rupees for purchase of crude oil from the UAE under the 'local currency settlement' system agreed upon by the two countries. More importantly than India, which is the world's third-largest oil importer, are oil exporters, including Russia, Iraq and Indonesia that have accepted the yuan as payment for crude oil shipments, Saidi said. In 2023, there were 12 major commodity contracts that were settled in non-US dollar currencies.

Saidi doesn't believe pricing oil in other currencies will be an immediate move and he foresees the emergence of an Asian yuan zone as China increasingly integrates Asian countries into its supply chain. However, as trade and investment

sanctions are ratcheted up and the dollar is increasingly weaponized, for example by freezing of Russian US dollar and euro dominated assets, “countries will be encouraged to develop new payment mechanisms that could challenge the dominance of the dollar,” he said.

This could be in the form of adopting the yuan for trade, with the PetroYuan being used both for energy and non-oil trade payments, and settlement, he added. Other options include the extension of the Cross-Border Interbank Payment System (Cips), an alternative to Swift, and arranging central bank digital currency (Cbdc) transfers that facilitate cross-border flows such as the successful collaborative effort mBridge. While the Brics bloc announced plans for Brics Bridge, a digital currency cross-border payment solution, as an alternative to the dollar, Saidi said “there is a long while before it becomes operational and/or widely used.”

In a separate article titled [“Decarbonization Still in Focus Despite Mideast Geopolitics”](#), dated 13th Nov 2024, comments on GCC’s energy transition efforts were mentioned. Comments are posted below.

To date, Mideast countries don’t appear to have wavered from their commitments towards the energy transition, said Nasser Saidi, president of Nasser Saidi & Associates, an economic advisory and business consultancy, and founder of the Clean Energy Business Council Mena. “For now, regional geopolitics has had a limited impact on various commitments to energy transition,” Saidi told Energy Intelligence. “However, should funds need to be diverted to increased security and military spending, there would be a delaying impact.”

The implementation of decarbonization and energy transition strategies are inevitable for countries of the region and will buttress their diversification efforts, Saidi said. It will

also help them create new export industries and products like hydrogen, attract foreign investment, and create jobs associated with the green economy and climate risk mitigation and adaptation technologies, he added.