

Home Page: [OCIN INITIATIVE](#)

[\(Japanese Version\)](#)

[\(Arabic Version\)](#)

[\(Table of contents\)](#)

## **"The Peace on The Horizon - 70 Years after The World War 2 in the Middle East"(23)**

By Areha Kazuya

E-mail: [areha\\_kazuya@jcom.home.ne.jp](mailto:areha_kazuya@jcom.home.ne.jp)

### **Chapter 3: The grace of Allah – Oil boom**

#### **3-1(23) The dawn of oil industries in the Middle East**

People in Arab oil-producing countries often say "Oil is the grace of Allah." It is a pure appreciation for Allah who gave them rich oil wealth. At the same time it means superiority to other ethnic groups that do not have oil like Japanese. Indeed, many of the world's oil-producing countries are Islamic countries. Needless to say, Iraq, Saudi Arabia, Algeria, Libya and other MENA (Middle East and North Africa) oil producing countries are Arab ethnic groups and Islam is state religion. Even in Nigeria beyond the Sahara desert majority is Muslims. Furthermore, Indonesia, an oil producing country in Southeast Asia, is also a country of Islam. Islamic countries account for nearly half of the world's crude oil production, and the proportion becomes higher based on reserves. It doesn't exaggerate to say that oil is the blessing of Allah.

The relationship between oil and Islam is just mere coincidence. It was a few hundred million years ago that petroleum was born in the earth. Compared to it, Islam began in 7<sup>th</sup> century. So it is quite impossible to connect oil to Islam. Of course, all the Muslims believe that everything in this world is the work of Allah. Allah, therefore, made oil for the Muslims under their soil in ancient times. Is it true? Controversy between scientific atheism and religion is an endless debate.

At the end of the 19th century, gasoline and diesel engines were invented that used petroleum as fuel instead of the coal-fired steam engine. This technology revolutionized the transportation sector and rapidly spread as tanks and warships in military vehicles. As a result, the demand for oil has sharply increased, and development of oilfields has been thriving around the world. Oil was discovered in Persia (Iran) in 1908, and then discovered in the Middle East one after another; Iraq in 1928, Kuwait in 1938 and Saudi Arabia in 1940. Oilfields that spread from Iran to Iraq, Kuwait, Saudi Arabia and Abu Dhabi are called "oil belts".

It was European and American oil companies that worked on the development of the oil belts. Among

them, 7 companies called "Seven Sisters" showed a great influence. They were formed by five US companies, one British company and one UK-Dutch company, i.e. Standard Oil Company of New Jersey (Esso), Standard Oil Company of New York (Mobil), Standard Oil Company of California (Socal), Gulf Oil, Texaco, Anglo Iranian Oil Company(BP) and Royal Dutch Shell Plc (Shell) of UK/Dutch consortium. The first three companies bearing the name of "Standard" were born after the split of Standard Oil Company which were founded by John D. Rockefeller, Sr and divided by the antitrust law, Esso and Mobil subsequently merged into ExxonMobil. Socal, Gulf Oil and Texaco also merged and is now Chevron.

It was Anglo Iranian Oil (current BP) that preceded oil development in the Middle East. BP was established as a state-run company. In the World War I, Sir Winston Churchill, then Navy Minister and later Prime Minister, put the priority for oil development to secure the fuel of ships. BP acquired development rights in Iran and furthermore got Kirkuk oil fields in Iraq and Burgan oil fields in Kuwait.



The latecomer US companies approached Saudi Arabia to acquire development rights, and they discovered the world's largest Ghawar onshore oilfield in the eastern part of the country, and further discovered Safaniya offshore oilfield. The four US companies of Esso, Mobil, Socal and Texaco set up the Arabian American Oil Company (so-called Aramco), and monopolized oil production in Saudi Arabia. Seven Sisters established the overwhelming presence in the oil belt of the Middle East. They dominated world oil industry.

There was a person who confronted with Seven Sisters. It was Mossadegh of Iranian nationalist. He became prime minister in 1951 and nationalized the oil company owned by Anglo Iranian Oil. As a counter measure, Seven Sisters kicked out the Iranian crude oil from the international market, and the US government, which disliked nationalist Mossadegh, supported Seven Sisters in secret. Prime Minister Mossadegh was fell down. Instead, Reza Shah Pahlavi again gripped the power. After that Iran and US started the honeymoon relationship.

It took nine years that oil-producing countries challenged against Seven Sisters when the OPEC (Organization of Petroleum Exporting Countries) was formed in 1960. And after 28 years, Iran and the United States severed diplomatic ties when Khomeini took the Iranian Revolution in 1979.

(To be continued ----)