

WEBVTT

00:00:07.237 --> 00:00:21.497

<v SPEAKER_2>Hello and welcome to Energy Security Cubed, Canada's foremost energy geo strategy podcast, where we explore the factors shaping energy and economic security in Canada and around the world.

00:00:21.497 --> 00:00:27.797

<v SPEAKER_2>I'm Joe Calnan, Vice President, Energy and Calgary Operations at the Canadian Global Affairs Institute.

00:00:36.552 --> 00:00:51.392

<v SPEAKER_2>This week, we are featuring a rerun of an episode we recorded last year with Greg Brew, CGAI Fellow and Iran Analyst at Eurasia Group to talk about Iran's politics and how it impacts energy.

00:00:51.392 --> 00:00:58.012

<v SPEAKER_2>But before we dive into that, I'm going to quickly go over some of the news stories affecting global energy security this week.

00:00:58.012 --> 00:01:07.872

<v SPEAKER_2>First up, let's unpack which energy assets have been hit in the war between the United States, Israel and Iran, and what it could mean for global energy security.

00:01:07.872 --> 00:01:14.852

<v SPEAKER_2>It is important that we differentiate the two different ways that energy production has been taken off the market by this war.

00:01:14.852 --> 00:01:20.672

<v SPEAKER_2>The disruption to the Strait of Hormuz does not directly hurt energy production.

00:01:20.672 --> 00:01:26.932

<v SPEAKER_2>Instead, bottling up this energy in the Gulf quickly fills all of the onshore and floating storage.

00:01:26.932 --> 00:01:31.372

<v SPEAKER_2>Eventually, once all of the storage is filled up, upstream production has to be shut in.

00:01:32.352 --> 00:01:38.292

<v SPEAKER_2>It is estimated that around 10 million barrels per day has been shut in, owing to the Strait of Hormuz disruption.

00:01:38.292 --> 00:01:47.352

<v SPEAKER_2>This has affected all Arab Gulf oil producers, including Saudi Arabia, Iraq, Kuwait, and the United Arab Emirates.

00:01:47.352 --> 00:01:58.332

<v SPEAKER_2>One of the reasons that the production shut ins aren't higher is because of the alternative infrastructure put in place by Saudi Arabia and the United Arab Emirates to bypass the Strait of Hormuz.

00:01:59.112 --> 00:02:12.952

<v SPEAKER_2>The Saudi East-West crude oil pipeline was built during the Iran-Iraq Tanker War and carries crude from the oil-rich Persian Gulf Coast to the Western Saudi port of Yanbu on the Red Sea.

00:02:12.952 --> 00:02:17.012

<v SPEAKER_2>This pipeline is thought to have the capacity of 7 million barrels per day.

00:02:17.012 --> 00:02:23.812

<v SPEAKER_2>Though the actual capacity of it, the loading capacity at the port is thought to be somewhat lower.

00:02:23.812 --> 00:02:29.932

<v SPEAKER_2>They are still looking to maximize the amount of oil being put through this pipeline.

00:02:29.932 --> 00:02:41.852

<v SPEAKER_2>The smaller Habshan-Fujairah oil pipeline carries up to 1.5 million barrels per day from UAE oil fields to the port of Fujairah in the Gulf of Oman.

00:02:41.852 --> 00:02:47.072

<v SPEAKER_2>These pipelines are normally underused given the superior economics of tankers.

00:02:47.072 --> 00:02:54.432

<v SPEAKER_2>However, in a case like this, they are an economic lifeline for their countries, preventing even higher production shut-ins.

00:02:55.512 --> 00:03:03.792

<v SPEAKER_2>However, this brings us to another scarier way that energy production can be taken offline, strikes which destroy the assets themselves.

00:03:03.792 --> 00:03:11.172

<v SPEAKER_2>According to the International Energy Agency, 40 energy assets have been quote-unquote severely damaged in the war.

00:03:11.172 --> 00:03:28.912

<v SPEAKER_2>Some of the most critical facilities include Israeli strikes on Iranian gas producing facilities, which are fundamental to the country's electricity supply, and retaliatory strikes by Iran on

Qatar's Ras Laffan complex, which has taken two enormous LNG trains offline.

00:03:28.912 --> 00:03:34.732

<v SPEAKER_2>This resulted in around a 4% reduction in global LNG supply according to my calculations.

00:03:34.732 --> 00:03:38.052

<v SPEAKER_2>Repairs on this could take up to five years.

00:03:39.132 --> 00:03:43.932

<v SPEAKER_2>The Saudi and UAE alternate shipping routes have also been targeted.

00:03:43.932 --> 00:03:53.092

<v SPEAKER_2>On March 19th, a drone struck a refinery in Yanbu, and oil facilities in the UAE port of Fujairah have been repeatedly attacked.

00:03:53.092 --> 00:03:57.132

<v SPEAKER_2>Numerous other facilities in all Gulf states have also been attacked.

00:03:57.132 --> 00:04:11.472

<v SPEAKER_2>And these attacks really underline that even if you have ways to get around the Strait of Hormuz, if you have these facilities going offline, you could see disruptions regardless of what happens in the Strait.

00:04:11.472 --> 00:04:13.852

<v SPEAKER_2>This is long-term damage, potentially.

00:04:14.832 --> 00:04:25.852

<v SPEAKER_2>Iran's goal is to inflict a level of economic pain which makes the war untenable for the United States and Israel, and to use this leverage to gain additional concessions.

00:04:25.852 --> 00:04:33.392

<v SPEAKER_2>Part of the problem is that the United States does not feel as much pain as, let's say, big net importers in Asia.

00:04:33.392 --> 00:04:41.472

<v SPEAKER_2>The overall economic impact on a net exporter like the United States is not nearly as high as it is for net importers.

00:04:41.572 --> 00:04:47.792

<v SPEAKER_2>So effectively, this is making the whole world suffer just to try to force the hand of the United States.

00:04:47.792 --> 00:05:00.912

<v SPEAKER_2>So this is really an interesting dynamic here, where Iran is not as hurt, I suppose, by this cutoff, because Iran could still export.

00:05:00.912 --> 00:05:06.612

<v SPEAKER_2>Its ships are still leaving from its ports and transiting the strait just fine.

00:05:06.612 --> 00:05:10.112

<v SPEAKER_2>And the United States isn't suffering as much either, because it is also a net exporter.

00:05:10.592 --> 00:05:16.832

<v SPEAKER_2>And it does not feel these prices as hard as other countries.

00:05:16.832 --> 00:05:19.232

<v SPEAKER_2>So this is a very interesting dynamic.

00:05:19.232 --> 00:05:34.232

<v SPEAKER_2>There are unconfirmed reports that Iran is looking for sweeping concessions which could tilt the balance of power permanently in the regime's favor, something that I don't think the United States and Israel are very interested in.

00:05:34.232 --> 00:05:43.572

<v SPEAKER_2>The Trump Administration of the United States, meanwhile, seems to be looking for an off-ramp without explicitly losing the war and conceding this power to Iran.

00:05:43.572 --> 00:05:53.612

<v SPEAKER_2>Over the weekend, Trump made a 48-hour ultimatum for Iran to open the Strait of Hormuz, or else he would obliterate the country's power plants.

00:05:53.612 --> 00:06:05.352

<v SPEAKER_2>After Iran didn't budge and in fact threaten new strikes on energy infrastructure, Trump stepped back from the brink, pausing strikes for five days and claiming that talks with Iran were nearing a breakthrough.

00:06:06.432 --> 00:06:14.452

<v SPEAKER_2>Curiously, the Iranians denied that any talks were happening, and this seemingly counteracts Trump's face-saving maneuver.

00:06:14.452 --> 00:06:20.472

<v SPEAKER_2>While this episode has brought oil prices down, there is still the threat of Iranian strikes on energy infrastructure.

00:06:20.472 --> 00:06:29.172

<v SPEAKER_2>Unlike a blockage of Hormuz, these kind of strikes would irreversibly diminish production for years until the repairs are completed.

00:06:29.172 --> 00:06:34.192

<v SPEAKER_2>We have seen this before, though, and US Marines are still steaming toward the Persian Gulf.

00:06:34.932 --> 00:06:40.152

<v SPEAKER_2>It is possible that we are close to the end, but this really may just be the end of the beginning.

00:06:40.152 --> 00:06:54.712

<v SPEAKER_2>In one funny anecdote, just on another note, earlier this week, while taking a look at marinetraffic.com, I spotted two ships nearby the Strait of Hormuz with the AIS destination, quote, Indian ship and Indian crew, unquote, all in caps.

00:06:54.712 --> 00:07:01.492

<v SPEAKER_2>This calls back to the various ships that have flagged their non-Western alignment when transiting the Bab al-Mendeb Strait.

00:07:01.492 --> 00:07:02.992

<v SPEAKER_2>Well, it seems like this worked.

00:07:02.992 --> 00:07:10.312

<v SPEAKER_2>These two ships did manage to pass through Hormuz unscathed, and they're on their way to India, I believe.

00:07:10.312 --> 00:07:19.452

<v SPEAKER_2>According to an Iranian parliamentarian, Iran is charging vessel operators \$2 million each for ships to transit the Strait of Hormuz.

00:07:19.452 --> 00:07:30.592

<v SPEAKER_2>The veracity of this claim is disputed, but if it is true, then there might be many countries secretly engaging with the Iranian regime to secure cargos of oil.

00:07:32.092 --> 00:07:47.112

<v SPEAKER_2>Next up, let's talk about a few takeaways from the Syriac Conference in Houston with relevance for Canada, which in this conference seemingly has been completely taken over by discussion of the Strait of Hormuz and the war in the Middle East.

00:07:47.112 --> 00:07:58.052

<v SPEAKER_2>On Monday, Alberta Premier Daniel Smith claimed that Middle Eastern sovereign wealth funds and Asian investors are interested in helping with capital to build the MOU oil pipeline.

00:07:58.052 --> 00:08:09.092

<v SPEAKER_2>According to Smith, the capital may be contingent on the pipeline being listed on Schedule 1 of the Building Canada Act, something which hasn't happened for any major project yet.

00:08:09.092 --> 00:08:27.332

<v SPEAKER_2>Another important news story, TC Energy CEO Francois Poiret has been quoted by several news outlets, the current LNG crunch is making Canadian West Coast projects more attractive, including the potential for FID on LNG Canada Phase 2 and the SILISMS LNG project.

00:08:27.332 --> 00:08:29.872

<v SPEAKER_2>However, there are still hurdles to overcome.

00:08:29.872 --> 00:08:37.672

<v SPEAKER_2>The SILISMS project, for example, will require construction of a new pipeline through Northern BC, the Prince Rupert gas transmission line.

00:08:37.732 --> 00:08:46.292

<v SPEAKER_2>If we can remember the Coastal Gas Link Pipeline, this is easier said than done, and there's potential for huge levels of opposition.

00:08:47.632 --> 00:08:55.532

<v SPEAKER_2>Overall, Canada, Canadian energy is seemingly a good geopolitical bet, but the challenges of overcoming regulatory hurdles remain.

00:08:55.532 --> 00:09:05.392

<v SPEAKER_2>To underline this, Equinor announced at Sierra Week that it is looking to expand its US shale business, putting more investment into onshore US natural gas rather than Canadian energy.

00:09:07.552 --> 00:09:11.452

<v SPEAKER_2>Now, to finish up, we'll switch over to our recording with Greg Brew.

00:09:11.452 --> 00:09:14.752

<v SPEAKER_2>It's a very interesting conversation here, so stay tuned.

00:09:16.592 --> 00:09:29.112

<v SPEAKER_1>For today's interview, which we recorded on January 15th, 2025, we discussed the possible approach taken by the Trump Administration towards Iran, and how this could impact global energy.

00:09:29.112 --> 00:09:31.552

<v SPEAKER_2>With us to discuss this is Greg Brew.

00:09:32.272 --> 00:09:43.232

<v SPEAKER_2>Greg is an analyst with Eurasia Group's Energy, Climate and Resources team, focusing on the geopolitics of oil and gas, as well as being the company's country analyst for Iran.

00:09:43.232 --> 00:09:56.032

<v SPEAKER_2>He is a regular commentator on Iran and energy issues, and is the author of two books, including the most recent, The Struggle for Iran, Oil Autocracy in the Cold War, 1951 to 1954.

00:09:56.032 --> 00:10:01.252

<v SPEAKER_2>We're also pleased to say that Greg is a fellow with us here at the Canadian Global Affairs Institute.

00:10:02.852 --> 00:10:04.852

<v SPEAKER_1>Greg, it's great to have you back on the podcast.

00:10:04.852 --> 00:10:06.872

<v SPEAKER_1>You're one of our favorite guests.

00:10:06.872 --> 00:10:07.512

<v SPEAKER_3>Thanks, Kelly.

00:10:07.512 --> 00:10:07.992

<v SPEAKER_3>Thanks, Joe.

00:10:07.992 --> 00:10:09.472

<v SPEAKER_3>It's great to be back.

00:10:10.592 --> 00:10:15.032

<v SPEAKER_1>Let's start with a quick review of the current political situation within Iran.

00:10:15.032 --> 00:10:25.572

<v SPEAKER_1>As we have covered recently on the podcast, Iran is in a much weaker position now than it has been in a long time, perhaps even since the depths of its war with Iraq in the 80s.

00:10:25.572 --> 00:10:37.412

<v SPEAKER_1>The collapse of the Assad, the annihilation of Hezbollah's leadership, and Israel's proven ability to strike Iranian infrastructure show Iran on its back foot.

00:10:37.412 --> 00:10:48.272

<v SPEAKER_1>How these events translated into the conversations happening in Tehran first, and is the Iranian regime feeling pressured by this, Greg, in your opinion?

00:10:48.272 --> 00:10:52.772

<v SPEAKER_3>Well, certainly, I think we can think about Iran's

relative weakness in two ways.

00:10:52.772 --> 00:11:02.752

<v SPEAKER_3>First, externally, as you mentioned, their position in the Middle East has suffered a significant blow, perhaps one of the worst blows in the history of the Islamic Republic.

00:11:02.752 --> 00:11:10.992

<v SPEAKER_3>The so-called Axis of Resistance, this network of allies and proxies that Iran had built up over the course of decades, has been decimated.

00:11:10.992 --> 00:11:17.952

<v SPEAKER_3>Hezbollah, Iran's most important ally and the most important member of the Axis of Resistance, has been significantly weakened.

00:11:17.952 --> 00:11:26.932

<v SPEAKER_3>It hasn't been destroyed, but its value as an asset to Iran, as a source of deterrence against Israel, has been reduced significantly.

00:11:26.932 --> 00:11:34.012

<v SPEAKER_3>Hezbollah is now more of a liability than an asset since it will need significant reconstruction and rebuilding over the course of the next few years.

00:11:34.012 --> 00:11:42.552

<v SPEAKER_3> Hamas, while not a tremendously important member of the Axis of Resistance, had been an asset for Iran since it had threatened Israel from Gaza.

00:11:42.552 --> 00:11:44.772

<v SPEAKER_3> Hamas has been effectively wiped out.

00:11:44.772 --> 00:11:52.972

<v SPEAKER_3>It's still present in Gaza, but its role again within the Axis of Resistance has shrunk to nothing, and its value to Iran has been reduced to zero.

00:11:52.972 --> 00:12:08.732

<v SPEAKER_3>Finally, the collapse, the sudden collapse of the Assad Regime in Syria, has removed Iran's only state ally in the region, and has also cut Iran's supply route to Lebanon, making the resupply that I mentioned of Hezbollah significantly harder.

00:12:08.732 --> 00:12:11.752

<v SPEAKER_3>So there's no question that Iran's external position has weakened.

00:12:11.752 --> 00:12:21.872

<v SPEAKER_3>At the same time, Iran's internal position, the internal position of the Islamic Republic, appears to be at an all-time low, or certainly a recent low.

00:12:22.752 --> 00:12:25.552

<v SPEAKER_3>There are persistent stress points within the economy.

00:12:25.552 --> 00:12:27.772

<v SPEAKER_3>Inflation continues to run rampant.

00:12:27.772 --> 00:12:32.272

<v SPEAKER_3>The currency of the country, the Riyal, is at its lowest point in history.

00:12:32.272 --> 00:12:36.092

<v SPEAKER_3>There has been a spat of energy shortages.

00:12:36.092 --> 00:12:48.532

<v SPEAKER_3>An energy crisis has gripped the country due to persistent infrastructural problems, a shortage of natural gas, driven both by runaway consumption, but also the failure of Iran to invest in additional production.

00:12:48.532 --> 00:12:55.352

<v SPEAKER_3>So, you know, schools, businesses, public buildings, even industries have been shut down over the last month to conserve energy.

00:12:55.352 --> 00:13:00.332

<v SPEAKER_3>This all takes place in the context of the Islamic Republic's historic crisis of credibility.

00:13:00.332 --> 00:13:08.132

<v SPEAKER_3>It's obvious to anyone who, you know, speaks to people in Iran, who reads the national media, you know, this isn't a secret.

00:13:08.132 --> 00:13:10.732

<v SPEAKER_3>There's not a tremendous amount of confidence in the regime.

00:13:10.812 --> 00:13:14.892

<v SPEAKER_3>The government faces a crisis of legitimacy, a crisis of credibility.

00:13:14.892 --> 00:13:18.812

<v SPEAKER_3>Some of this is being reflected in the internal discussions, Kelly, that you mentioned.

00:13:18.812 --> 00:13:22.412

<v SPEAKER_3>There is some reflection on Iran's weakened position.

00:13:22.412 --> 00:13:23.692
<v SPEAKER_3>There's not much, though.

00:13:23.692 --> 00:13:36.952
<v SPEAKER_3>You're still seeing the same kind of bellicose rhetoric coming from figures like Supreme Leader Ali Khamenei, who in his public statements has sort of rejected the idea that the axis of resistance has weakened.

00:13:37.252 --> 00:13:57.412
<v SPEAKER_3>At the same time, the country held large-scale military drills over the last two weeks, where it demonstrated the supposed strength of its conventional military, particularly the strength of its air defenses, which Iran's military claims are strong enough to deter or reduce the risk of additional Israeli or potentially even US attacks.

00:13:57.932 --> 00:14:05.292
<v SPEAKER_3>So, publicly, there's posturing publicly, the leadership of the Islamic Republic claims that they're as strong as ever.

00:14:05.292 --> 00:14:16.052
<v SPEAKER_3>But it's obvious that there are cracks in the facade that could grow larger and indicate even greater weakness if the regime isn't able to do something to strengthen its position.

00:14:16.052 --> 00:14:16.432
<v SPEAKER_3>Yeah.

00:14:17.092 --> 00:14:20.512
<v SPEAKER_2>It's interesting that they're facing an energy crisis.

00:14:20.512 --> 00:14:29.292
<v SPEAKER_2>Iran's always been known as, of course, historically as one of the major linchpins of global oil and gas exports, for sure.

00:14:29.292 --> 00:14:35.932
<v SPEAKER_2>But the fact that they can't provide those resources to their own citizens, it really shows something.

00:14:36.452 --> 00:14:53.412
<v SPEAKER_2>On that note, I always thought that if Israel really would like to weaken Iran, then maybe it shouldn't attack the Karg Island oil export, but rather attack one of the domestic refineries that's meant to supply its own citizens with fuels.

00:14:54.152 --> 00:14:59.312
<v SPEAKER_2>But I think we should move to what we can expect in the near future.

00:14:59.312 --> 00:15:08.472

<v SPEAKER_2>So by the time this podcast airs, we of course may be witnessing some of the first moves by US President Trump on sanctions policies toward Iran.

00:15:08.472 --> 00:15:19.332

<v SPEAKER_2>The Trump Administration will of course be inheriting an extensive sanctions regime from the Biden Administration, though there are open questions about current levels of sanctions enforcement.

00:15:19.332 --> 00:15:25.732

<v SPEAKER_2>And I could for sure anticipate a Trump Administration taking a much harder line.

00:15:25.732 --> 00:15:33.572

<v SPEAKER_2>But Greg, what type of American sanctions on the Iranian energy industry are feasible or possible?

00:15:33.792 --> 00:15:39.872

<v SPEAKER_2>And what sort of limitations do you see constraining the actions of the Trump Administration?

00:15:39.872 --> 00:15:51.792

<v SPEAKER_3>Well, Joe, I don't think there's any question or any doubt that one of the first things the Trump Administration is going to do on Iran policy is try to tighten sanctions, both tighten enforcement and also add sanctions.

00:15:51.792 --> 00:16:01.392

<v SPEAKER_3>They've made no secret of their intention of returning to a posture of maximum pressure, which is how they characterize their policy under Trump 1.0.

00:16:01.392 --> 00:16:06.792

<v SPEAKER_3>The question, as you note, is how much tougher can the sanctions regime really get?

00:16:06.792 --> 00:16:09.972

<v SPEAKER_3>The Biden Administration hasn't technically lowered sanctions.

00:16:10.092 --> 00:16:12.492

<v SPEAKER_3>There may have been some laxer enforcement.

00:16:12.492 --> 00:16:17.812

<v SPEAKER_3>The US may have looked the other way for a few years to allow Iran to ship oil to China.

00:16:17.812 --> 00:16:23.252

<v SPEAKER_3>But at the same time, there were changes in the market that made Iran sending oil to China more feasible.

00:16:23.252 --> 00:16:34.952

<v SPEAKER_3>The larger number of so-called shadow tankers, the more complex networks tying together Chinese refiners, banks, intermediaries in places like the UAE and Malaysia.

00:16:36.772 --> 00:16:40.092

<v SPEAKER_3>And then, of course, the Chinese willingness to take sanctioned Iranian crude.

00:16:40.092 --> 00:16:45.892

<v SPEAKER_3>This all allowed Iran to send more oil to China in 2023 and 2022 than it had been in the past.

00:16:45.892 --> 00:16:51.572

<v SPEAKER_3>I think what we can expect from the Trump Administration first and foremost are more sanctions on tankers.

00:16:51.572 --> 00:16:54.912

<v SPEAKER_3>In other words, something along the lines of what we've seen from the Biden administration.

00:16:54.912 --> 00:17:02.432

<v SPEAKER_3>Starting in October, the Biden Treasury started sanctioning larger numbers of tankers carrying Iranian crude.

00:17:02.532 --> 00:17:07.572

<v SPEAKER_3>I think there's something around 60 tankers have been listed in the last three months.

00:17:07.572 --> 00:17:11.132

<v SPEAKER_3>This may have already had an impact on Iran's exports to China.

00:17:11.132 --> 00:17:17.092

<v SPEAKER_3>Some of the data that I've seen suggests that the flow of Iranian crude to China has fallen a little bit over the last few months.

00:17:17.092 --> 00:17:20.772

<v SPEAKER_3>It hasn't fallen to zero, but it has declined.

00:17:20.772 --> 00:17:22.952

<v SPEAKER_3>This could be reflecting the impact of these tankers.

00:17:22.952 --> 00:17:29.252

<v SPEAKER_3>If the Trump team doubles down on this approach and lists a lot more tankers, then it's possible that Iranian exports will

decline.

00:17:29.652 --> 00:17:42.172

<v SPEAKER_3>We saw an indication of the kind of scale that the Trump action could take just last week, when the Biden Administration listed 140 Russian tankers or tankers carrying Russian crude.

00:17:42.172 --> 00:17:46.392

<v SPEAKER_3>This had an impact on prices and is likely to have an impact on Russian volumes.

00:17:46.392 --> 00:18:01.652

<v SPEAKER_3>If the Trump Administration follows through on Biden action, but targets Iran rather than Russia, then those are the kinds of actions we can expect early in the administration, targeting tankers, targeting intermediaries.

00:18:01.652 --> 00:18:05.472

<v SPEAKER_3>There aren't really any Iranian actors left to sanction, to be perfectly honest.

00:18:05.472 --> 00:18:07.512

<v SPEAKER_3>Iran is already under heavy sanction.

00:18:07.512 --> 00:18:10.312

<v SPEAKER_3>There aren't many easy targets left to go after.

00:18:10.312 --> 00:18:25.832

<v SPEAKER_3>But the Trump Administration has made it clear that reducing Iran's oil exports, and also I should note more importantly, reducing the revenue that Iran can generate from the oil trade, is going to be a top priority and we can expect sanctions to play a large role.

00:18:25.972 --> 00:18:32.272

<v SPEAKER_3>Now, the bigger question, will the US expand sanctions to touch Chinese entities?

00:18:32.272 --> 00:18:40.092

<v SPEAKER_3>I think there is maybe a rough consensus among analysts that to really cut this trade down, going after the tankers isn't really enough.

00:18:40.672 --> 00:18:44.592

<v SPEAKER_3>You have to sanction Chinese ports, refineries, Chinese banks.

00:18:44.592 --> 00:18:49.312

<v SPEAKER_3>That's a tougher sell for the United States, particularly early in the administration.

00:18:49.312 --> 00:18:51.952

<v SPEAKER_3>The Trump team is going to have China policy priorities.

00:18:51.952 --> 00:18:58.952

<v SPEAKER_3>They're going to have a China policy plan in place that may not necessarily include sanctioning these kinds of actors.

00:18:58.952 --> 00:19:05.972

<v SPEAKER_3>Also, China would surely respond to this kind of action with moves of their own.

00:19:05.972 --> 00:19:09.352

<v SPEAKER_3>So I don't think we can expect those kinds of actions early on.

00:19:09.352 --> 00:19:11.152

<v SPEAKER_3>The Trump team is going to focus on tankers.

00:19:11.152 --> 00:19:16.932

<v SPEAKER_3>They're going to focus on those kinds of actions to get Iranian oil exports closer to zero.

00:19:16.932 --> 00:19:20.512

<v SPEAKER_3>There is a chance of more aggressive actions further on down the line.

00:19:21.032 --> 00:19:25.452

<v SPEAKER_2>And I guess we can anticipate also that even if Iranian oil exports...

00:19:26.352 --> 00:19:30.232

<v SPEAKER_2>What's the current level of Iranian oil exports in million barrels per day?

00:19:30.232 --> 00:19:32.252

<v SPEAKER_3>It's about 1.5 million barrels a day.

00:19:32.532 --> 00:19:34.172

<v SPEAKER_3>It oscillates month to month.

00:19:34.172 --> 00:19:34.852

<v SPEAKER_2>Yeah.

00:19:34.852 --> 00:19:51.972

<v SPEAKER_2>So if we can anticipate that Trump's actions would reduce Iranian oil exports by, say, three or four hundred thousand barrels per day, something around there, then there's enough spare capacity within OPEC to make up for that, to make sure it's not a huge disruption in the oil market.

00:19:52.612 --> 00:19:53.292
<v SPEAKER_3>Absolutely.

00:19:53.292 --> 00:19:57.472
<v SPEAKER_3>I think that hits the nail on the head, Joe.

00:19:57.472 --> 00:20:05.572
<v SPEAKER_3>I think when you look at the volume that is likely to be affected, you look at the timeframe that the sanctions action will play out.

00:20:05.572 --> 00:20:08.072
<v SPEAKER_3>It won't be over the course of a few days.

00:20:08.072 --> 00:20:12.752
<v SPEAKER_3>It'll take weeks, a month or two to really gauge the impact.

00:20:12.752 --> 00:20:16.232
<v SPEAKER_3>Then finally, Iran's only selling to one customer, China.

00:20:16.232 --> 00:20:24.052
<v SPEAKER_3>This oil is obviously part of the global flow, but it's a bilateral relationship of Iranian crude making it to Chinese refiners.

00:20:24.052 --> 00:20:25.752
<v SPEAKER_3>That will mitigate the impact somewhat.

00:20:25.752 --> 00:20:31.292
<v SPEAKER_3>At the same time, there could be some loose supply, certainly by the middle of the year.

00:20:31.292 --> 00:20:44.192
<v SPEAKER_3>If the US produces more, if Canada is producing more, if OPEC follows through on its plan to relax cuts after April, that suggests that impact from US action on Iranian crude may not be a huge source of disruption.

00:20:44.532 --> 00:20:51.732
<v SPEAKER_3>I also think, right now, it's January 15, price of oil, the Brent price of oil is around \$80 a barrel.

00:20:51.732 --> 00:20:54.552
<v SPEAKER_3>It's risen significantly over the last week and a half.

00:20:54.552 --> 00:20:58.932
<v SPEAKER_3>I think some of that is expectations of US sanctions action being baked into the price.

00:20:58.932 --> 00:21:11.212

<v SPEAKER_3>I think this is being signposted pretty heavily going into 2025, which also suggests that it may not be, at least from a price point of view, quite as disruptive as some have suggested.

00:21:11.212 --> 00:21:24.032

<v SPEAKER_1>Greg, I'm going to go off script here a little bit, just to hopefully give our listeners and myself a little bit of an understanding about the physical operational...

00:21:24.032 --> 00:21:30.792

<v SPEAKER_1>What happens in a sanction to stifle that movement of that physical crew?

00:21:31.332 --> 00:21:36.632

<v SPEAKER_1>How is that achieved by outside actors against Iran?

00:21:36.632 --> 00:21:50.812

<v SPEAKER_3>So, you know, the way that sanctions operate, they come through the US Treasury Department, they come through the Office of Sanctions, OFAC, and they're targeted at specific entities, individuals, companies, ships, in this case.

00:21:50.812 --> 00:21:53.632

<v SPEAKER_3>And the implication, the effect is fairly straightforward.

00:21:53.632 --> 00:22:09.592

<v SPEAKER_3>If you are under sanction, then your ability to do business within dollar markets, within Western financial networks, really anything that comes within the official remit of the US economic system, your ability to do that becomes extremely constrained.

00:22:10.792 --> 00:22:26.972

<v SPEAKER_3>So what the sanctions are designed to do when they're listing tankers is essentially, you know, if you're a tanker, if you're a company owning a tanker and you're moving Iranian crude and your tanker is sanctioned, then you're not going to lose that sanction designation until you stop dealing in Iranian crude, right?

00:22:26.972 --> 00:22:31.312

<v SPEAKER_3>So it's meant to stifle, it's meant to freeze this kind of action.

00:22:31.312 --> 00:22:33.512

<v SPEAKER_3>Now, actors can get around it.

00:22:33.512 --> 00:22:35.312

<v SPEAKER_3>That's what they've been doing over the last couple of

years.

00:22:35.312 --> 00:22:39.192

<v SPEAKER_3>You redesignate tankers, maybe you sell the tanker to a new company.

00:22:39.812 --> 00:22:42.292

<v SPEAKER_3>That somebody has set up over a weekend.

00:22:42.292 --> 00:22:50.472

<v SPEAKER_3>A lot of these companies that are being listed in sanctions are sort of paper companies that are set up in places like the UAE, Hong Kong, elsewhere.

00:22:50.472 --> 00:22:55.172

<v SPEAKER_3>And they're designed specifically to be mechanisms to get around sanctions.

00:22:55.172 --> 00:23:08.732

<v SPEAKER_3>So the efficacy of the sanctions has fallen somewhat, I would say, over the last three or four years, in part because now the sanctions order, the US sanctions regime covers so much of the global oil market.

00:23:09.312 --> 00:23:10.992

<v SPEAKER_3>You don't just have Iran.

00:23:10.992 --> 00:23:12.872

<v SPEAKER_3>You've got lots of sanctions on Russia.

00:23:12.872 --> 00:23:16.872

<v SPEAKER_3>You've got the G7 price cap trying to get Russian crew down below \$60 a barrel.

00:23:16.872 --> 00:23:25.632

<v SPEAKER_3>You've got sanctions on Venezuela, sanctions on places like Syria, actors affiliated with Iran in Lebanon, in Yemen and elsewhere.

00:23:25.632 --> 00:23:36.332

<v SPEAKER_3>This is a much bigger, more onerous and more cumbersome system of rules than was in place five years ago.

00:23:36.532 --> 00:23:41.532

<v SPEAKER_3>And given the fact that it's now been in place for quite a while, actors have gotten used to getting around it.

00:23:41.532 --> 00:23:53.492

<v SPEAKER_3>The Iranians have become very skilled at getting around US sanctions, which is part of the reason why for analysts like

myself, the real way to stop this flow is not to sanction the
Iranians.

00:23:53.492 --> 00:24:01.512

<v SPEAKER_3>If you were really going to get serious about it, it
would be to slap sanctions on the Chinese and say, until you stop
taking this oil, you can't take oil from anywhere else.

00:24:01.512 --> 00:24:03.472

<v SPEAKER_1>Yeah, that sort of covers it for us.

00:24:03.472 --> 00:24:04.652

<v SPEAKER_1>Thanks a lot for that.

00:24:05.372 --> 00:24:07.512

<v SPEAKER_1>Let's switch gears a bit.

00:24:07.512 --> 00:24:14.852

<v SPEAKER_1>At the time of this, that we're recording this, there
were indications that a ceasefire was brewing between Israel and
Hamas.

00:24:14.852 --> 00:24:21.492

<v SPEAKER_1>I don't know if I like that adjective, Joe, but it's
okay, or verb, but we'll go with it.

00:24:21.492 --> 00:24:33.572

<v SPEAKER_1>According to the Israeli newspaper Haratz, one of the
factors which allowed the ceasefire to get this close is the new
pressure put on the Israelis by Trump's new Mideast envoy, Steve
Witkoff.

00:24:34.352 --> 00:24:42.232

<v SPEAKER_1>What do you know about him, Greg, and his ideas about the
role of the Middle East in future American policy, especially
regarding global energy?

00:24:43.412 --> 00:24:53.952

<v SPEAKER_3>Well, this is a great question to think about as we go
into the Trump administration, is who will Trump look to to manage his
policy, to execute his policy?

00:24:53.952 --> 00:24:56.612

<v SPEAKER_3>When it comes to the Middle East, Trump has some big
ideas.

00:24:56.612 --> 00:24:59.332

<v SPEAKER_3>He wants peace in Gaza.

00:24:59.332 --> 00:25:00.572

<v SPEAKER_3>He wants peace broadly.

00:25:00.572 --> 00:25:01.852

<v SPEAKER_3>He's spoken about that a lot.

00:25:02.772 --> 00:25:04.092

<v SPEAKER_3>But he also wants deals.

00:25:04.092 --> 00:25:07.352

<v SPEAKER_3>He wants normalization between Israel and Saudi Arabia.

00:25:07.352 --> 00:25:13.412

<v SPEAKER_3>He wants to expand the Abraham Accords, that normalize relations between Israel and Arab states.

00:25:13.412 --> 00:25:14.832

<v SPEAKER_3>He wants a lot.

00:25:14.832 --> 00:25:17.712

<v SPEAKER_3>He also, sometimes he says he wants to deal with Iran.

00:25:17.712 --> 00:25:18.892

<v SPEAKER_3>He wants a new nuclear deal.

00:25:18.892 --> 00:25:20.832

<v SPEAKER_3>That would be a pretty heavy lift.

00:25:20.832 --> 00:25:23.732

<v SPEAKER_3>Trump himself is not going to make all this happen.

00:25:23.732 --> 00:25:24.932

<v SPEAKER_3>Trump is going to be a busy guy.

00:25:24.932 --> 00:25:25.812

<v SPEAKER_3>He's going to be president.

00:25:25.812 --> 00:25:27.912

<v SPEAKER_3>He's going to have to delegate authority.

00:25:27.912 --> 00:25:46.892

<v SPEAKER_3>And a lot of his national security team on the Middle East, folks like National Security Advisor, Michael Waltz, Secretary of State Marco Rubio, they may not have the necessary ties, the necessary position or connection to Trump to act as his envoy.

00:25:46.892 --> 00:25:50.552

<v SPEAKER_3>Steve Witkoff, on the other hand, has a strong relationship with Trump.

00:25:50.552 --> 00:25:51.952

<v SPEAKER_3>They are personal friends.

00:25:51.952 --> 00:25:53.432

<v SPEAKER_3>They play golf together.

00:25:53.432 --> 00:25:57.192

<v SPEAKER_3>They have the kind of relationship that Trump has been known to value in the past.

00:25:57.792 --> 00:26:12.072

<v SPEAKER_3>And so, Witkoff's role in facilitating a ceasefire in Gaza suggests that he could have a pretty large role in not, you know, not running Trump's foreign policy, but acting as Trump's spokesperson.

00:26:12.072 --> 00:26:14.912

<v SPEAKER_3>Now, you ask, what are his views on energy?

00:26:14.912 --> 00:26:15.772

<v SPEAKER_3>I'll be blunt.

00:26:15.772 --> 00:26:21.092

<v SPEAKER_3>I don't actually know what his views on energy are, but I do have some idea of what Trump's views on energy are.

00:26:21.092 --> 00:26:24.132

<v SPEAKER_3>Trump wants US production to expand.

00:26:24.132 --> 00:26:26.252

<v SPEAKER_3>He wants energy dominance for the US.

00:26:26.332 --> 00:26:28.372

<v SPEAKER_3>He's spoken about this a lot.

00:26:28.372 --> 00:26:31.032

<v SPEAKER_3>He also wants low prices.

00:26:31.032 --> 00:26:40.212

<v SPEAKER_3>He wants to potentially make a deal with Iran, but he also wants to put a lot of pressure on Iran through sanctions, which could put upward pressure on prices.

00:26:40.212 --> 00:26:48.872

<v SPEAKER_3>He also talks about slapping tariffs, not just on China, but also on major US trading partners.

00:26:48.872 --> 00:26:50.292

<v SPEAKER_1>We're well aware of that, Greg.

00:26:50.452 --> 00:26:51.132

<v SPEAKER_3>Can I say no?

00:26:51.492 --> 00:26:53.292

<v SPEAKER_3>You can see what I'm getting at here.

00:26:54.092 --> 00:27:03.552

<v SPEAKER_3>Will Trump be pushing policies that push the price down, or will he be pushing policies that potentially push the price up, or at least inject some volatility into the market?

00:27:03.552 --> 00:27:05.632

<v SPEAKER_3>Right now for me, it's not entirely clear.

00:27:05.632 --> 00:27:08.772

<v SPEAKER_3>It's possible his policy could be somewhat contradictory.

00:27:08.772 --> 00:27:10.412

<v SPEAKER_3>What role Witkopf plays in that?

00:27:10.412 --> 00:27:14.752

<v SPEAKER_3>I think whatever role he has will depend on his relationship with Trump.

00:27:14.752 --> 00:27:17.052

<v SPEAKER_3>I think Witkopf acts as a conduit.

00:27:17.052 --> 00:27:18.712

<v SPEAKER_3>Witkopf speaks for Trump.

00:27:19.732 --> 00:27:20.852

<v SPEAKER_3>That is his position.

00:27:20.852 --> 00:27:22.432

<v SPEAKER_3>That is his role in the administration.

00:27:22.432 --> 00:27:26.012

<v SPEAKER_3>And that's the kind of role we can expect him to play moving forward.

00:27:27.272 --> 00:27:32.492

<v SPEAKER_2>Yeah, no, it's really interesting to witness kind of these new dynamics coming into play.

00:27:32.492 --> 00:27:39.432

<v SPEAKER_2>I think that it's unusual for sure for an official who isn't hasn't...

00:27:39.432 --> 00:27:42.672

<v SPEAKER_2>I'm not sure if Witkopf has been confirmed yet, right?

00:27:42.672 --> 00:27:49.432

<v SPEAKER_2>But an official who will be in the incoming administration, but the incoming administration hasn't been put in place yet.

00:27:49.432 --> 00:27:58.092

<v SPEAKER_2>But this official is still on the ground doing this diplomacy and taking an active role kind of with this transition.

00:27:58.192 --> 00:28:06.672

<v SPEAKER_2>And it's in some ways unusual, but also it kind of makes sense if you want to have some continuity here, where it comes to Middle East policy.

00:28:06.932 --> 00:28:26.532

<v SPEAKER_2>And I am really very, very curious how Witkopf, like what sort of interactions he'll be having with the Saudis as well, to see what Trump's policies toward trying to get the Saudis to, let's say, put more oil on market to try to keep the price at levels that Trump's comfortable with.

00:28:26.532 --> 00:28:28.352

<v SPEAKER_3>Yeah, no, those are great points, Joe.

00:28:28.352 --> 00:28:37.452

<v SPEAKER_3>And I would just say it is somewhat unusual for a private citizen, which Witkopf is currently, to become involved in these kinds of high-level negotiations.

00:28:37.452 --> 00:28:47.872

<v SPEAKER_3>At the same time, the Biden team, to their credit, has worked quite hard to align with Trump's team on Gaza, specifically on Gaza, on Lebanon.

00:28:47.872 --> 00:28:50.472

<v SPEAKER_3>These are issues that they've tried, as well as on Iran, I would say.

00:28:50.472 --> 00:28:54.012

<v SPEAKER_3>I think there have been some discussions on Iran policy as well between the teams.

00:28:54.012 --> 00:29:04.272

<v SPEAKER_3>They're trying to create, as you mentioned, a sense that there's continuity, that there's a flow of knowledge, that there's a sense that policy won't be heavily disrupted.

00:29:04.272 --> 00:29:09.192

<v SPEAKER_3>And I do think some of the reporting is contradictory, but I do think Witkopf and Trump played a role.

00:29:10.412 --> 00:29:12.892
<v SPEAKER_3>In pushing things closer to a ceasefire.

00:29:12.892 --> 00:29:21.872
<v SPEAKER_3>Trump made it very clear that he wanted a deal by January 20th, and it does seem to have had an impact on, at the very least, Israel's negotiating position.

00:29:21.872 --> 00:29:23.252
<v SPEAKER_2>Yeah, for sure.

00:29:23.452 --> 00:29:25.752
<v SPEAKER_2>It is quite interesting how this is all playing out.

00:29:25.752 --> 00:29:51.212
<v SPEAKER_1>Well, and overall, Joe, I would add that Greg makes a great point, that when it comes to the toing and froing, it is nice to see the two tributaries of those administrations coming together to try to help solve the everlasting problem of the Middle East, which isn't going to...

00:29:51.212 --> 00:29:52.472
<v SPEAKER_1>you can call it cease...

00:29:52.632 --> 00:29:53.672
<v SPEAKER_1>it won't last...

00:29:53.672 --> 00:29:56.312
<v SPEAKER_1>Sorry, I am a glass half empty guy in this regard.

00:29:57.332 --> 00:29:59.512
<v SPEAKER_1>These potential conflicts won't go away.

00:30:00.232 --> 00:30:20.072
<v SPEAKER_1>But if we can lower the temperature, certainly, it just helps with global security writ large, especially as we see different spheres of influence in geopolitics continue to shift zones of interest, and especially regarding China.

00:30:21.192 --> 00:30:26.012
<v SPEAKER_1>It is interesting that all of these things are kind of playing out at the same time.

00:30:26.012 --> 00:30:26.552
<v SPEAKER_2>Yeah.

00:30:26.552 --> 00:30:35.112
<v SPEAKER_2>And we will get into China in just a second here, because we have already covered China a little bit, but I think unpacking more

of that relationship is always important.

00:30:35.112 --> 00:30:39.112

<v SPEAKER_2>But first of all, we should cover the Iranian nuclear program.

00:30:39.112 --> 00:30:58.392

<v SPEAKER_2>So some foreign policy analysts, and you might have even been one of them, Greg, but I know that some have proposed that Iran will likely be looking to restore deterrents after this series of major setbacks and to try to reaffirm the legitimacy of their regime.

00:30:59.012 --> 00:31:03.952

<v SPEAKER_2>So one possible avenue, of course, to restore deterrents is to build nuclear weapons.

00:31:03.952 --> 00:31:14.732

<v SPEAKER_2>And this has always been a huge worry for global, not just regional, but global security where it comes to trying to prevent proliferation of nuclear weapons.

00:31:14.732 --> 00:31:19.832

<v SPEAKER_2>So what is the current status of negotiations around Iran's nuclear program?

00:31:19.832 --> 00:31:23.932

<v SPEAKER_2>And what role do you see the Trump Administration having in these negotiations?

00:31:24.952 --> 00:31:26.632

<v SPEAKER_3>Well, these are pivotal questions, Joe.

00:31:26.852 --> 00:31:31.512

<v SPEAKER_3>And I want to get a few details right just starting off.

00:31:31.512 --> 00:31:38.792

<v SPEAKER_3>So Iran is what analysts in the nuclear proliferation space regard as a nuclear threshold state.

00:31:38.792 --> 00:31:50.932

<v SPEAKER_3>In other words, Iran now has a nuclear program and a base of knowledge that is sufficient for developing a weapon relatively quickly if the decision is made to do so.

00:31:51.532 --> 00:32:02.692

<v SPEAKER_3>In the past, there has been a degree of exaggeration, I'll be frank, about the scale of Iran's program and the closeness with which it may be to developing a weapon at any time.

00:32:02.692 --> 00:32:05.612

<v SPEAKER_3>But right now, it's actually kind of hard to exaggerate this point.

00:32:05.612 --> 00:32:11.852

<v SPEAKER_3>Iran has a large stockpile of enriched uranium that could be enriched to weapons grade very quickly.

00:32:11.852 --> 00:32:21.872

<v SPEAKER_3>And it has a base of knowledge, technical expertise, the know-how and the resources to develop a weapon probably within a year, a year to two years is the best guess.

00:32:21.872 --> 00:32:23.472

<v SPEAKER_3>Now it's not doing that currently.

00:32:24.452 --> 00:32:31.332

<v SPEAKER_3>The best assessments by available intelligence suggests that Iran has not taken steps towards developing a weapon.

00:32:31.332 --> 00:32:34.352

<v SPEAKER_3>Iran has taken steps to try to bolster its deterrents.

00:32:34.352 --> 00:32:42.112

<v SPEAKER_3>They were, as I mentioned, large-scale military drills held over the last couple of weeks to try to demonstrate Iran's conventional military strength.

00:32:42.112 --> 00:32:52.392

<v SPEAKER_3>Iran's president, Masoud Pesachian, I think by the time this podcast comes out, will have signed a comprehensive strategic framework agreement with Russian President Vladimir Putin.

00:32:52.952 --> 00:33:07.212

<v SPEAKER_3>So Iran is trying to grow closer to Russia to gain, again, a little bit of additional deterrents, a closer relationship with a great power, a military power to try to make up for the losses that it has suffered on other fronts.

00:33:07.212 --> 00:33:08.752

<v SPEAKER_3>It hasn't dashed to a bomb.

00:33:08.752 --> 00:33:09.772

<v SPEAKER_3>That's the big concern.

00:33:09.772 --> 00:33:15.552

<v SPEAKER_3>And it's the reason why there has been a more pronounced discussion of the so-called military option.

00:33:15.552 --> 00:33:31.352

<v SPEAKER_3>Because if negotiations fail or if negotiations are

clearly not going anywhere, then the United States and Israel as well, and perhaps even the international community may see no other option but to take immediate action to prevent Iran from developing a weapon.

00:33:31.352 --> 00:33:34.472

<v SPEAKER_3>Now you ask what the state of negotiations are, right?

00:33:34.472 --> 00:33:36.852

<v SPEAKER_3>Right now there really aren't any negotiations.

00:33:37.932 --> 00:33:48.572

<v SPEAKER_3>Iran's representatives have spoken to representatives from the European Union, the so-called E3 states, the United Kingdom, France and Germany, signatories to the original nuclear deal, the JCPOA.

00:33:49.112 --> 00:33:51.152

<v SPEAKER_3>Those discussions have taken place.

00:33:51.152 --> 00:33:54.172

<v SPEAKER_3>But they're largely talks about talking.

00:33:54.172 --> 00:34:00.892

<v SPEAKER_3>They're largely discussions designed to create some basis or expectation for negotiations.

00:34:00.892 --> 00:34:03.532

<v SPEAKER_3>The crucial actor is the United States.

00:34:03.532 --> 00:34:06.352

<v SPEAKER_3>The Iranians have made it clear that they want to talk, right?

00:34:06.352 --> 00:34:12.592

<v SPEAKER_3>Peseshkian and others have made it clear they want a deal to bring sanctions relief to Iran's economy.

00:34:12.592 --> 00:34:18.532

<v SPEAKER_3>There is an implicit sort of understanding within Iran's political space that sanctions relief are needed.

00:34:18.532 --> 00:34:25.712

<v SPEAKER_3>It is needed to strengthen the economy and directly strengthen the regime against these kinds of internal pressures that I've mentioned.

00:34:25.712 --> 00:34:31.172

<v SPEAKER_3>There is as yet no indication that anyone in the United States is interested in talking.

00:34:31.172 --> 00:34:35.252

<v SPEAKER_3>There's strong indications that the Trump Administration wants to return to maximum pressure.

00:34:35.252 --> 00:34:37.612

<v SPEAKER_3>They want to ratchet up sanctions pressure.

00:34:37.612 --> 00:34:44.232

<v SPEAKER_3>They are going to be very supportive of Israel acting against Iran's proxies, continuing to pressure Hezbollah in Lebanon.

00:34:45.072 --> 00:34:56.512

<v SPEAKER_3>I think we're likely to see continued US and Israeli military action against the Houthis in Yemen and continued Israeli action to prevent any kind of resurgence of Iranian influence in Syria.

00:34:56.512 --> 00:34:58.412

<v SPEAKER_3>That should all be base case.

00:34:58.412 --> 00:35:04.372

<v SPEAKER_3>The bigger question is will the US and Israel launch a military strike on Iran?

00:35:04.372 --> 00:35:06.892

<v SPEAKER_3>I don't think we can expect that soon.

00:35:06.892 --> 00:35:11.372

<v SPEAKER_3>I don't think Trump is going to be willing to take that kind of action early in his administration.

00:35:11.532 --> 00:35:13.832

<v SPEAKER_3>As I mentioned, he's going to be a busy man.

00:35:13.832 --> 00:35:21.552

<v SPEAKER_3>And authorizing a big military strike against Iran's nuclear program is a pretty extreme step to take early on.

00:35:21.552 --> 00:35:26.132

<v SPEAKER_3>But by the same token, I don't see a tremendous amount of interest from the Trump team in talking.

00:35:26.132 --> 00:35:27.772

<v SPEAKER_3>I think they're going to turn to pressure.

00:35:27.772 --> 00:35:40.032

<v SPEAKER_3>They're going to tighten the screws on the Iranians, maybe to try to get new concessions from the Iranians on the nuclear front as well as on other fronts before there's any kind of scope for more lengthy, more substantive negotiations.

00:35:40.332 --> 00:35:43.032
<v SPEAKER_3>The issue here is timing.

00:35:43.032 --> 00:35:51.492
<v SPEAKER_3>As I mentioned, the JCPOA, the original nuclear deal, is still technically in effect, even though it's defunct at this point.

00:35:51.492 --> 00:35:56.852
<v SPEAKER_3>The most important articles of that deal expire in October 2025.

00:35:56.852 --> 00:36:02.872
<v SPEAKER_3>And this is putting something of a time limit, something of a ticking clock on some of the actors involved in these discussions.

00:36:02.872 --> 00:36:12.992
<v SPEAKER_3>There are concerns that if there's no diplomatic breakthrough, if there's no diplomatic progress by October of 2025, then the scope for any kind of a deal falls to zero.

00:36:12.992 --> 00:36:18.112
<v SPEAKER_3>And the pressure on the US to undertake military action will become much greater.

00:36:18.112 --> 00:36:26.972
<v SPEAKER_2>I think we'll probably be having you in the podcast again sometime around then to talk about the imminent demise of the JCPOA for good.

00:36:27.032 --> 00:36:31.612
<v SPEAKER_2>It's now in a coma, but you know, it might pull a plug on it.

00:36:32.852 --> 00:36:55.232
<v SPEAKER_1>On that point, Greg, are there still IAEA officials in Iran having a, you know, trying to keep a, having a look at least given that tripartite, tripartite or the original JCPOA or whatever it is, as far as monitoring?

00:36:56.272 --> 00:36:57.032
<v SPEAKER_3>Yes.

00:36:57.032 --> 00:37:10.952
<v SPEAKER_3>So Kelly, on that point, Iran is still a member of the, is still a signatory to the Non-Proliferation Treaty, is still abiding by certain aspects of its agreements with the International Atomic Energy Agency, the IAEA.

00:37:10.952 --> 00:37:14.352

<v SPEAKER_3>There are still IAEA inspectors active in Iran.

00:37:14.352 --> 00:37:19.812

<v SPEAKER_3>The IAEA releases a quarterly report on the scale of Iran's enrichment.

00:37:19.812 --> 00:37:25.672

<v SPEAKER_3>That's why every few months we get headlines about Iran enriching X amount of uranium of its growing stockpile.

00:37:25.672 --> 00:37:33.292

<v SPEAKER_3>This is all because the IAEA still has access inside Iran and still has a degree of cooperation from the Iranian government.

00:37:33.292 --> 00:37:37.352

<v SPEAKER_3>One of the big issues though, as I mentioned, is this question of the ticking clock.

00:37:37.352 --> 00:37:43.312

<v SPEAKER_3>October 2025 will signal the formal expiration of elements of the JCPOA.

00:37:43.312 --> 00:37:49.752

<v SPEAKER_3>It is also the point at which the members of the agreement lose the ability to snap back sanctions.

00:37:49.752 --> 00:37:58.592

<v SPEAKER_3>This is a technical term, but what it essentially means is there are additional sanctions that could be placed on Iran if it is found to be in violation of the agreement.

00:37:58.592 --> 00:38:04.952

<v SPEAKER_3>Now the E3, the UK, France and Germany have started to talk a little bit more seriously about snap back.

00:38:05.592 --> 00:38:14.012

<v SPEAKER_3>They're starting to say like if Iran doesn't scale back its program, if Iran doesn't start cooperating a little bit more with the agency, then we might trigger snap back.

00:38:14.012 --> 00:38:18.872

<v SPEAKER_3>We might bring back those sanctions and formally find Iran in violation of the agreement.

00:38:19.152 --> 00:38:29.332

<v SPEAKER_3>The Iranians have said that if the E3 does this, if there is snap back before October 2025, then Iran will formally leave the nonproliferation treaty.

00:38:29.332 --> 00:38:30.752
<v SPEAKER_3>That could be a red line.

00:38:30.752 --> 00:38:42.312
<v SPEAKER_3>That could be a signal from Iran to the United States that it is not willing to cooperate anymore, that it is going to kick out UN inspectors, and that it could potentially start working on a weapon after that.

00:38:42.312 --> 00:38:45.212
<v SPEAKER_3>So these are all things that we're going to have to keep in mind.

00:38:45.212 --> 00:38:46.512
<v SPEAKER_3>There's going to be brinksmanship.

00:38:46.612 --> 00:39:03.712
<v SPEAKER_3>There's going to be some high-level, high-tension discussions this year around Iran's nuclear program, around its relationship with the IAEA, and above it all will be this looming threat of the United States potentially deciding that the time for talking is done and the time for action has come.

00:39:03.712 --> 00:39:04.052
<v SPEAKER_2>Yeah.

00:39:04.052 --> 00:39:12.072
<v SPEAKER_2>And I think there's concerns here where it comes to when you're at the nuclear threshold.

00:39:12.812 --> 00:39:15.612
<v SPEAKER_2>How is it possible to come back from that nuclear threshold?

00:39:15.712 --> 00:39:25.452
<v SPEAKER_2>Because you already have all the knowledge, you already know how to make the technology and make everything come together in a really fast fashion, right?

00:39:25.452 --> 00:39:34.192
<v SPEAKER_2>So once you become a nuclear threshold state, you're effectively already a nuclear state, but you just don't have the bomb for a year.

00:39:34.192 --> 00:39:40.752
<v SPEAKER_2>But it's like, you're always gonna be one year away from having the bomb no matter how many concessions you get, it seems to me, right?

00:39:40.752 --> 00:39:46.732

<v SPEAKER_3>Yeah, Joe, I mean, it's one of the reasons why this is such a thorny issue or and how it's become even thornier.

00:39:46.732 --> 00:39:53.672

<v SPEAKER_3>I mean, when the JCPOA was reached in 2015, there was this sense of this isn't a great deal, but it's the best we can do.

00:39:53.672 --> 00:39:55.992

<v SPEAKER_3>We can get the Iranians to put some limits on their program.

00:39:55.992 --> 00:40:00.572

<v SPEAKER_3>We can get them to scale things back, put limits on how much they can enrich, what level they can enrich.

00:40:00.572 --> 00:40:02.452

<v SPEAKER_3>We can get a lot of inspectors in there.

00:40:02.452 --> 00:40:08.372

<v SPEAKER_3>As far as getting the Iranians to just, you know, completely pulling the plug and turning everything over, they're never gonna do that.

00:40:08.372 --> 00:40:12.872

<v SPEAKER_3>And even if they did, they have developed the expertise to spin this back up.

00:40:12.872 --> 00:40:13.952

<v SPEAKER_3>So that was the sense in 2015.

00:40:14.252 --> 00:40:16.092

<v SPEAKER_3>The sense now is even worse, you know.

00:40:16.092 --> 00:40:18.672

<v SPEAKER_3>The Iranians have enriched to high levels.

00:40:18.672 --> 00:40:20.752

<v SPEAKER_3>They've developed a very elaborate program.

00:40:20.752 --> 00:40:27.072

<v SPEAKER_3>They have even more knowledge on the technical specifications of a weapon now than they did in 2015.

00:40:27.072 --> 00:40:30.572

<v SPEAKER_3>They have to lean more heavily on their nuclear program as a source of deterrence.

00:40:30.572 --> 00:40:38.372

<v SPEAKER_3>As you mentioned, you know, for them, it's kind of better to be a threshold state rather than a weapon state, because as soon as

they build a bomb, they're gonna get bombed.

00:40:38.372 --> 00:40:39.072
<v SPEAKER_3>And they know that.

00:40:39.972 --> 00:40:45.732
<v SPEAKER_3>So maintaining this hedge is one of the reasons why they're negotiating the way that they are.

00:40:45.732 --> 00:40:52.772
<v SPEAKER_3>The problem for the United States, the problem that's always sort of been there, is that military action is not really a solution.

00:40:52.772 --> 00:40:59.552
<v SPEAKER_3>You bomb the Iranian program, you blow up their centrifuges, you blow up their stockpile, although that has all kinds of risks.

00:40:59.552 --> 00:41:04.232
<v SPEAKER_3>You're bombing enriched uranium and potentially spreading it over an area.

00:41:04.232 --> 00:41:06.812
<v SPEAKER_3>That could have some pretty harmful consequences.

00:41:06.812 --> 00:41:07.872
<v SPEAKER_3>It's a big operation.

00:41:08.012 --> 00:41:11.272
<v SPEAKER_3>The US would have to hit a lot of targets very, very quickly.

00:41:11.272 --> 00:41:13.952
<v SPEAKER_3>But you're still not solving the problem because the Iranians can rebuild.

00:41:13.952 --> 00:41:15.272
<v SPEAKER_3>They can rebuild in secret.

00:41:15.272 --> 00:41:17.532
<v SPEAKER_3>They can rebuild deeper into the country.

00:41:17.532 --> 00:41:20.312
<v SPEAKER_3>Iran is a big country.

00:41:20.312 --> 00:41:25.972
<v SPEAKER_3>The concern there is even if you do bomb them, you're setting back the clock with a couple of years.

00:41:25.972 --> 00:41:30.172

<v SPEAKER_3>That's why things invariably come back to there needs to be a deal.

00:41:30.172 --> 00:41:36.992

<v SPEAKER_3>There needs to be diplomacy with pressure, with the threat of military action may be looming over things.

00:41:37.312 --> 00:41:45.752

<v SPEAKER_3>But the only way you're going to address this problem, the only way you're going to reduce the risk of an Iranian weapon is through talking, is through negotiations.

00:41:45.752 --> 00:41:48.172

<v SPEAKER_3>And that was hard to do in 2015.

00:41:48.172 --> 00:41:51.212

<v SPEAKER_3>It's going to be even harder to do now.

00:41:51.212 --> 00:41:55.872

<v SPEAKER_1>Greg, before we finish up, we talked briefly about China.

00:41:57.112 --> 00:42:05.992

<v SPEAKER_1>But I think it's sort of the leverage, it's kind of the linchpin in all of this discussion about Iran-U.S.

00:42:05.992 --> 00:42:08.092

<v SPEAKER_1>relations.

00:42:08.092 --> 00:42:18.572

<v SPEAKER_1>Much has been made of the cooperation, and you've touched on it here, and Iran's pushed to be more of a pal to Russia.

00:42:18.632 --> 00:42:34.692

<v SPEAKER_1>And China is Iran's, as you've said, and we know repeatedly that Iran is, or China is Iran's largest oil customer, and Iranian drones have been used extensively by Russia against Ukrainian targets.

00:42:34.692 --> 00:42:43.532

<v SPEAKER_1>This poses the question of whether cooperation between these three different countries is guaranteed in the long term, because they're all different, you know, really.

00:42:44.752 --> 00:42:52.212

<v SPEAKER_1>Do you anticipate the dynamics of that trite relationship shifting with the Trump government?

00:42:53.292 --> 00:43:02.632

<v SPEAKER_3>Kelly, I'm glad you're asking this question, because you

know, the role of China in this dynamic doesn't get, I don't think it gets the emphasis that it should.

00:43:02.632 --> 00:43:04.952

<v SPEAKER_3>China, as you mentioned, is very important to Iran.

00:43:04.952 --> 00:43:09.132

<v SPEAKER_3>It takes nearly all of Iran's crude exports.

00:43:09.132 --> 00:43:13.832

<v SPEAKER_3>Those exports are a pretty crucial financial lifeline for the regime.

00:43:13.832 --> 00:43:21.352

<v SPEAKER_3>If China were to suddenly decide not to take that crude anymore, then Iran couldn't export, regardless of what the US sanctions action ends up being.

00:43:21.352 --> 00:43:23.872

<v SPEAKER_3>If Iran doesn't have a market, it can't export oil.

00:43:23.872 --> 00:43:32.672

<v SPEAKER_3>At the same time, both China and Russia are important allies to Iran in the international arena, particularly in regards to the nuclear program.

00:43:32.672 --> 00:43:42.752

<v SPEAKER_3>One of the basis of the original JCPOA was a United Nations Security Council resolution that was passed to take action against Iran's program.

00:43:42.752 --> 00:43:55.952

<v SPEAKER_3>Russia and China have repeatedly blocked additional resolutions, and they've made it very clear that there aren't going to be more resolutions passed against Iran because of the cover that China and Russia can give Iran.

00:43:55.952 --> 00:43:57.932

<v SPEAKER_3>So Iran is benefiting from its relations.

00:43:57.932 --> 00:44:01.752

<v SPEAKER_3>You mentioned Iran's been selling drones to Russia.

00:44:01.752 --> 00:44:05.872

<v SPEAKER_3>At the same time, Iran wants more from these relationships.

00:44:06.252 --> 00:44:08.792

<v SPEAKER_3>They want more advanced weapons from the Russians.

00:44:08.792 --> 00:44:10.192

<v SPEAKER_3>They've been pushing for that.

00:44:10.192 --> 00:44:11.352

<v SPEAKER_3>They want jet fighters.

00:44:11.352 --> 00:44:13.332

<v SPEAKER_3>They want advanced air defense systems.

00:44:13.332 --> 00:44:17.012

<v SPEAKER_3>They want strategic cooperation to strengthen their position in the region.

00:44:17.012 --> 00:44:19.432

<v SPEAKER_3>China is more of an economic ask.

00:44:19.432 --> 00:44:20.352

<v SPEAKER_3>They want investment.

00:44:20.352 --> 00:44:21.792

<v SPEAKER_3>They want more trade.

00:44:21.792 --> 00:44:26.052

<v SPEAKER_3>In both contexts, the Iranians are disappointed with what they're getting.

00:44:26.052 --> 00:44:30.752

<v SPEAKER_3>The Russians have been pretty withholding with what they've been willing to give the Iranians.

00:44:30.752 --> 00:44:33.152

<v SPEAKER_3>The Chinese aren't really giving them anything.

00:44:33.832 --> 00:44:37.192

<v SPEAKER_3>The Chinese don't even publicly admit to taking Iranian crude.

00:44:37.192 --> 00:44:39.152

<v SPEAKER_3>They're taking it through the back door, so to speak.

00:44:39.612 --> 00:44:40.912

<v SPEAKER_1>Malaysia and UAE.

00:44:40.912 --> 00:44:41.452

<v SPEAKER_3>Exactly.

00:44:41.452 --> 00:44:42.812

<v SPEAKER_3>They list it as Malaysian.

00:44:42.812 --> 00:44:45.192

<v SPEAKER_3>For the Chinese, they're sort of getting the best of both worlds.

00:44:45.192 --> 00:44:54.812

<v SPEAKER_3>They can argue that they're not violating US sanctions, and they're getting cheap Iranian crude for their independent refiners, without which I don't know if a lot of those independents would be able to stay in business.

00:44:54.812 --> 00:45:03.132

<v SPEAKER_1>That's really come to the fore as I read the global oil analysis over the past several years.

00:45:03.132 --> 00:45:08.052

<v SPEAKER_1>Several months, you can see those teapot refineries are starting to struggle economically.

00:45:08.052 --> 00:45:08.432

<v SPEAKER_3>Oh yeah.

00:45:09.072 --> 00:45:12.992

<v SPEAKER_3>So it comes back to, what's China going to do?

00:45:12.992 --> 00:45:24.092

<v SPEAKER_3>Because looking over the region, looking at the Middle East over the last year and a half as it's undergone these seismic changes ever since October 7th, China hasn't done much.

00:45:24.092 --> 00:45:27.572

<v SPEAKER_3>And China is supposed to be an important country for the Middle East, right?

00:45:27.572 --> 00:45:29.772

<v SPEAKER_3>Most of the Persian Gulf crude goes east.

00:45:29.772 --> 00:45:31.672

<v SPEAKER_3>China depends on Persian Gulf crude.

00:45:31.972 --> 00:45:35.912

<v SPEAKER_3>China is making big investments in the region, in the Gulf, in North Africa.

00:45:35.912 --> 00:45:41.232

<v SPEAKER_3>Countries like Saudi Arabia are sort of increasingly looking to China, even as they look to the United States.

00:45:41.232 --> 00:45:44.792

<v SPEAKER_3>You would expect China, and also China is supposed to be a new superpower.

00:45:44.792 --> 00:45:48.152

<v SPEAKER_3>It's supposed to be a new peer competitor to the US.

00:45:48.152 --> 00:45:52.792

<v SPEAKER_3>In almost every case, the Chinese have opted not to get involved.

00:45:52.792 --> 00:45:55.032

<v SPEAKER_3>They've opted to sort of sit on the sidelines.

00:45:55.032 --> 00:45:59.412

<v SPEAKER_3>That could continue to be the case with Iran, or it could change.

00:45:59.812 --> 00:46:01.872

<v SPEAKER_3>The Chinese could get pulled in to the issue.

00:46:01.872 --> 00:46:05.032

<v SPEAKER_3>They could start to use their leverage over Tehran.

00:46:05.032 --> 00:46:18.672

<v SPEAKER_3>They could become more involved in diplomacy, because I think one of the angles that the US could take in trying to increase pressure on Iran, or potentially trying to get a deal in place, is to work through other states, China potentially being one of them.

00:46:18.672 --> 00:46:32.992

<v SPEAKER_3>The Chinese would have to be willing to play ball, of course, but issues like nuclear proliferation, particularly nuclear proliferation in the Middle East, and particularly nuclear proliferation in the Persian Gulf, should matter a lot to China.

00:46:32.992 --> 00:46:41.292

<v SPEAKER_3>If the Iranians build a bomb, I don't think there's any real question in my mind, that the Saudis, the Emiratis, and the Turks are going to want a bomb of their own.

00:46:41.292 --> 00:46:43.352

<v SPEAKER_3>That's a big issue for China.

00:46:44.732 --> 00:46:47.912

<v SPEAKER_3>This could be a question, this could be an issue that hasn't gotten a whole lot of attention.

00:46:47.912 --> 00:46:53.552

<v SPEAKER_3>Will the Chinese become more involved in the Iran nuclear problem as we go into 2025?

00:46:53.552 --> 00:46:54.332

<v SPEAKER_3>We'll have to wait and see.

00:46:55.132 --> 00:47:06.852

<v SPEAKER_2>Yeah, it is interesting, especially since China was the one that oversaw the, well, not necessarily complete normalization relations between Iran and Saudi Arabia, but definitely an upgrade.

00:47:06.852 --> 00:47:13.812

<v SPEAKER_2>Everybody was saying right after that, that China was going to be completely replaced the United States in the region, US is gone, all that stuff.

00:47:13.812 --> 00:47:15.832

<v SPEAKER_2>Then October 7th happened.

00:47:16.472 --> 00:47:23.872

<v SPEAKER_2>Who is it that steps up and really starts to provide defense guarantees and coordination between all these countries?

00:47:24.332 --> 00:47:26.972

<v SPEAKER_2>Between a bunch of countries that don't necessarily like each other.

00:47:26.972 --> 00:47:31.372

<v SPEAKER_2>It was the United States that was acting in that role, not China.

00:47:31.372 --> 00:47:32.152

<v SPEAKER_3>A hundred percent, Joe.

00:47:32.152 --> 00:47:33.192

<v SPEAKER_3>I remember it vividly.

00:47:33.192 --> 00:47:38.012

<v SPEAKER_3>March of 2023, the Saudis and the Iranians shake hands and say they're going to normalize relations.

00:47:38.012 --> 00:47:42.272

<v SPEAKER_3>Chinese foreign minister is there, and there's a lot of very breathless coverage.

00:47:42.272 --> 00:47:43.772

<v SPEAKER_3>Oh, this is China.

00:47:43.772 --> 00:47:46.612

<v SPEAKER_3>This is China extending its influence over the Middle East.

00:47:46.612 --> 00:47:48.332

<v SPEAKER_3>Some of that was Chinese propaganda.

00:47:48.332 --> 00:47:51.212

<v SPEAKER_3>Some of that was the Chinese saying like, oh, look at everything we've accomplished.

00:47:51.512 --> 00:47:54.952

<v SPEAKER_3>And then it became, as you say, very clear after October 7th.

00:47:54.952 --> 00:47:56.872

<v SPEAKER_3>The Chinese are new to this region.

00:47:56.872 --> 00:47:58.132

<v SPEAKER_3>They don't have the network in place.

00:47:58.132 --> 00:47:59.992

<v SPEAKER_3>They don't have other relationships in place.

00:47:59.992 --> 00:48:04.752

<v SPEAKER_3>I've spoken to some Chinese experts who say the Chinese don't really understand some of the region.

00:48:04.752 --> 00:48:10.492

<v SPEAKER_3>Things like the Yemen Civil War or Hezbollah's rhetoric against Israel are sort of baffling to them.

00:48:10.492 --> 00:48:12.752

<v SPEAKER_3>So some of this comes from experience.

00:48:12.752 --> 00:48:14.992

<v SPEAKER_3>The US has been involved in the region a lot longer.

00:48:14.992 --> 00:48:17.892

<v SPEAKER_3>It has real stake in the region and it has real relationships.

00:48:18.732 --> 00:48:25.472

<v SPEAKER_3>China, I think, will have to get more involved out of necessary economic necessity.

00:48:25.472 --> 00:48:27.612

<v SPEAKER_3>But we're still some ways away from seeing that happen.

00:48:28.772 --> 00:48:41.232

<v SPEAKER_3>Even with all of the talk of the US withdrawing, even with all the talk of the US taking a step back from the Middle East, continues to be one of the most, if not the most important actors when it comes to Middle East geopolitics.

00:48:41.232 --> 00:48:42.452

<v SPEAKER_2>Thank you so much, Greg.

00:48:42.452 --> 00:48:44.412

<v SPEAKER_2>This was a great discussion as always.

00:48:44.412 --> 00:48:46.892

<v SPEAKER_2>So really happy that we can get your expertise.

00:48:47.492 --> 00:48:53.732

<v SPEAKER_2>And also quite happy to have a connection to Eurasia Group there as well.

00:48:54.032 --> 00:48:55.772

<v SPEAKER_2>It's a good organization.

00:48:55.772 --> 00:48:58.552

<v SPEAKER_2>And I read quite a bit of what you guys put out.

00:48:58.552 --> 00:49:00.052

<v SPEAKER_2>But one last question.

00:49:00.052 --> 00:49:04.312

<v SPEAKER_2>This is always something that people are interested in.

00:49:04.312 --> 00:49:11.272

<v SPEAKER_2>Ideally, you have a book by your bedside table, something that maybe takes your mind off of things.

00:49:12.392 --> 00:49:15.392

<v SPEAKER_1>We want to know that you have a life outside of oil analysis.

00:49:16.032 --> 00:49:16.272

<v SPEAKER_2>Yeah.

00:49:16.272 --> 00:49:20.072

<v SPEAKER_2>So what are you reading these days, Greg?

00:49:20.072 --> 00:49:23.752

<v SPEAKER_3>I'm really glad you asked me that because it will hopefully compel me to finish it.

00:49:23.752 --> 00:49:25.472

<v SPEAKER_3>So I'm currently reading.

00:49:25.472 --> 00:49:27.692

<v SPEAKER_3>I'm not reading about Iran for once.

00:49:27.692 --> 00:49:34.332

<v SPEAKER_3>What I'm reading right now is The Great Transformation, China's Road from Revolution to Reform by Odd Arne Westad and Chen

Jian.

00:49:34.332 --> 00:49:41.232

<v SPEAKER_3>It's a fantastic book basically about how China transformed from the early 1970s to today.

00:49:42.032 --> 00:49:50.652

<v SPEAKER_3>You know, probably one of the most important, most interesting transformations of the last century is what's happened to China over the last 50 years.

00:49:50.652 --> 00:49:52.372

<v SPEAKER_3>So yeah, The Great Transformation.

00:49:52.372 --> 00:49:52.972

<v SPEAKER_3>Pick it up today.

00:49:52.972 --> 00:49:54.492

<v SPEAKER_3>It's a great read.

00:49:55.772 --> 00:49:57.072

<v SPEAKER_1>That's great, Greg.

00:49:57.072 --> 00:49:58.712

<v SPEAKER_1>It's always a pleasure.

00:49:58.712 --> 00:50:17.692

<v SPEAKER_1>We always learn so much and it really keeps our listeners informed of the global context of a lot of things that don't really hit, you know, they hit the radar like fireflies, not really understanding the full extent of what can happen.

00:50:17.692 --> 00:50:19.872

<v SPEAKER_1>So I think you've given us a lot of food for thought.

00:50:19.872 --> 00:50:21.452

<v SPEAKER_1>Thanks so much, Greg.

00:50:21.452 --> 00:50:22.212

<v SPEAKER_3>Thanks so much, Kelly.

00:50:22.212 --> 00:50:23.672

<v SPEAKER_3>Thanks so much, Joe.

00:50:26.252 --> 00:50:33.812

<v SPEAKER_2>Thanks for listening to this episode of Energy Security Cubed on the CGAI Podcast Network.

00:50:33.812 --> 00:50:36.192

<v SPEAKER_2>You can find us wherever you get your podcasts.

00:50:36.932 --> 00:50:39.012

<v SPEAKER_2>If you like the show, give it a rating.

00:50:39.012 --> 00:50:43.832

<v SPEAKER_2>You can also find us on Facebook, Twitter and LinkedIn.

00:50:43.832 --> 00:50:54.792

<v SPEAKER_2>If you like this podcast and want to help us maintain our contributions to Canadian foreign policy research, you can support us by donating on our website www.cgai.ca.

00:50:59.172 --> 00:51:03.432

<v SPEAKER_2>Energy Security Cubed is brought to you by our team at CGAI.

00:51:03.432 --> 00:51:05.672

<v SPEAKER_2>Thanks go out to Drew Phillips for our music.

00:51:06.492 --> 00:51:09.972

<v SPEAKER_2>I'm Joe Calnan, thanks for listening to Energy Security Cubed.