

Ρούντι Μπαρούντι: Να Τερματιστεί η Σύγκρουση Ισραήλ- Ιράν, πριν το Κόστος της Γίνει μη Διαχειρίσιμο



Σήμα κινδύνου για τις επιπτώσεις που θα έχει ο πόλεμος μεταξύ Ισραήλ και Ιράν, σε όλο τον κόσμο στέλνει ο ειδικός αναλυτής στα ενεργειακά Ρούντι Μπαρούντι. Σε συνομιλία που είχαμε μαζί του με αφορμή άρθρο του που δημοσιεύτηκε στους Gulf Times. Ο κ. Μπαρούντι εστιάζει στις ενεργειακές επιπτώσεις σημειώνοντας ότι «τα αποθέματα αργού πετρελαίου και φυσικού αερίου του Ιράν

είναι, αντίστοιχα, τα δεύτερα και τρίτα μεγαλύτερα στον κόσμο. Ενώ το Ισραήλ έχει εξηγήσει ότι οι υποτιθέμενες πυρηνικές δραστηριότητες του Ιράν ως τον λόγο.

για τον οποίο ξεκίνησε τον πόλεμο, οι επιθέσεις του έχουν επικεντρωθεί επίσης στις υποδομές πετρελαίου και φυσικού αερίου του Ιράν. Πέντε από τα εννέα μεγάλα διυλιστήρια πετρελαίου του Ιράν είχαν πληγεί και τεθεί εκτός λειτουργίας,

μαζί με αποθήκες και άλλες εγκαταστάσεις, ενώ οι ισραηλινές δυνάμεις προκάλεσαν επίσης μια τεράστια πυρκαγιά στο κοιτάσμα φυσικού αερίου South Pars, το οποίο το Ιράν μοιράζεται με το Κατάρ – και το οποίο περιέχει σχεδόν τόσο φυσικό αέριο όσο όλα τα άλλα γνωστά πεδία φυσικού αερίου στη Γη. Επίσης οι ιρανικές επιθέσεις εναντίον του ισραηλινού συγκροτήματος διυλιστηρίων στη Χάιφα οδήγησαν στο κλείσιμο αρκετών υπεράκτιων πλατφορμών, μειώνοντας περαιτέρω την περιφερειακή παραγωγή υδρογονανθράκων».

Ο κ.Μπαρούντι εκτιμά ότι η κατάσταση μπορεί να επιδεινωθεί. «Η καταστροφή ή η διακοπή της ικανότητας του Ιράν να εξάγει, να επεξεργάζεται, να διανέμει και να εξάγει υδρογονάνθρακες θα προκαλούσε τεράστια προβλήματα στο εσωτερικό και θα ασκούσε ανοδική πίεση στις τιμές παντού, αν και ο παγκόσμιος αντίκτυπος θα ήταν πιθανότατα διαχειρίσιμος. Η κατάσταση θα ήταν πολύ πιο ανησυχητική εάν οι ισραηλινές επιθέσεις έπλητταν την περιοχή Μπαντάρ Αμπάς. Αυτό θα μπορούσε να προκαλέσει την εκτόξευση των τιμών του φυσικού αερίου – και άλλων μορφών ενέργειας – στις παγκόσμιες αγορές», τονίζει.

Δίνει μάλιστα μεγάλη έμφαση στα στενά του Ορμούζ καθώς συνδέει αρκετούς άλλους από τους πιο παραγωγικούς παραγωγούς πετρελαίου και LNG στον κόσμο – συμπεριλαμβανομένων του Ιράκ, του Κουβέιτ, του Κατάρ και της Σαουδικής Αραβίας – με τους πελάτες τους στο εξωτερικό.

«Ως αποτέλεσμα, κάθε μέρα, περίπου το ένα τέταρτο των παγκόσμιων αναγκών σε αργό πετρέλαιο και LNG εξέρχεται από τον Κόλπο μέσω του Ορμούζ, καθιστώντας τον το πιο στρατηγικά σημαντικό σημείο συμφόρησης της εποχής μας. Εάν αυτή η ροή σταματήσει ή ακόμη και επιβραδυνθεί σημαντικά, οι συνέπειες θα μπορούσαν να είναι καταστροφικές για μεγάλο μέρος του κόσμου. Αν και οι περισσότερες από αυτές τις εξαγωγές συνήθως προορίζονται για τις αγορές της Ασίας, ακόμη και μια σύντομη μείωση του διαθέσιμου πετρελαίου και φυσικού αερίου θα μπορούσε να εκτινάξει τις τιμές του αργού πετρελαίου, που επί του παρόντος είναι λίγο πάνω από 70 δολάρια το βαρέλι, πάνω

από τα 100 ή ακόμα και τα 120 δολάρια σύντομα. Αν μια τέτοια κρίση εφοδιασμού διαρκούσε για κάποιο χρονικό διάστημα, η παγκόσμια οικονομία θα εισερχόταν σε αχαρτογράφητα εδάφη. Όχι μόνο οι υπερβολικά υψηλές τιμές ενέργειας θα προκαλούσαν αύξηση του πληθωρισμού σε όλους τους τομείς, αλλά οι ελλείψεις καυσίμων θα μπορούσαν επίσης να παραλύσουν επιχειρήσεις κάθε μεγέθους και είδους. Μεταφορές και μεταποίηση, επεξεργασία τροφίμων και ιατρική έρευνα, παραγωγή ενέργειας, θέρμανση και ψύξη οικιακών συσκευών, ακόμη και το ίδιο το Διαδίκτυο: όλα όσα εξαρτώνται από την ενέργεια θα μπορούσαν να επιβραδυνθούν σε μικρό βαθμό. Μια παγκόσμια ύφεση σχεδόν σίγουρα θα ακολουθούσε, και δεδομένου του τρέχοντος εμπορικού περιβάλλοντος, αυτό θα μπορούσε να οδηγήσει σε μια ακόμη Μεγάλη Ύφεση».

Ο κ. Μπαρούντι καταλήγει ότι η πιθανότητα παγκόσμιας οικονομικής καταστροφής – για να μην αναφέρουμε τους οικολογικούς κινδύνους και τους κινδύνους για τη δημόσια υγεία που προκαλούν οι διαρροές πετρελαίου, πυρηνικών υλικών ή και άλλων τοξινών στο περιβάλλον – απλά δεν είναι ένας κίνδυνος που οι περισσότεροι έξυπνοι άνθρωποι θέλουν να βιώσουν.

«Επομένως, αρμόζει σε όσους έχουν τη δύναμη να αλλάξουν την κατάσταση να κάνουν ό,τι μπορούν για να τερματίσουν τη σύγκρουση προτού το κόστος της γίνει μεγαλύτερο από όσο μπορεί να αντέξει μια εύθραυστη παγκόσμια οικονομία»

**Roudi Baroudi Presents Latest
Work to Patriarch al-Rahi**



Maronite Patriarch Cardinal Mar Bechara Boutros al-Rahi received the international energy affairs expert, Roudi Baroudi, who presented the Patriarch with a copy of his new book, recently published by Notre Dame University-Louaize (NDU). The book explores ways to resolve maritime boundary delimitation disputes by peaceful means among the countries of the Mediterranean basin in general, and the East Mediterranean region in particular, especially between Lebanon, Syria, and Cyprus. It is grounded in the provisions of the United Nations Convention on the Law of the Sea, relevant international treaties, and the jurisprudence of international courts.

**Israel-Iran war needs to stop
before we all get burned**



The long-feared war between Israel and Iran is now fully under way, and the repercussions threaten to include significant disruptions – not just for the two belligerents, but also for economies, peoples, and governments around the world.

To understand how and why an armed conflict between two regional powers could have such a widespread impact, start by considering the following:

1. Iran's reserves of crude oil and natural gas are, respectively, the second- and third-largest in the world;
2. While Israel has posited Iran's alleged nuclear activities as its reason for going to war, its strikes have also focused on Iran's oil and gas infrastructure;
3. At the time of this writing, five of Iran's nine major oil refineries had been hit and knocked out of service, along with storage depots and other facilities;
4. Israeli forces also started a huge fire at the South Pars gas field, which Iran shares with Qatar – and which holds almost as much gas as all of the other known gas fields on Earth.
5. For good measure, Iranian strikes against the Israeli refinery complex at Haifa have led to the shutdown of several offshore platforms, further crimping regional hydrocarbon output;

Now consider that it gets worse. The destruction or shutdown of Iran's ability to extract, process, distribute, and export hydrocarbons would cause tremendous problems at home, and put upward pressure on prices everywhere, although the global impact would likely be manageable. The situation would be far more disruptive if Israeli attacks hit Bandar Abbas area. That could cause prices for gas – and other forms of energy – to soar on world markets.

And yet even this is not the greatest peril threatened by this war. That desultory honour goes to the possibility that traffic could be disrupted in the Strait of Hormuz, the relatively narrow channel that connects the Gulf to the open ocean. The passage is only 40 kilometres at its narrowest spot, wending for over 150 kilometres between Oman and the United Arab Emirates, to the west and south, and Iran's Hormozgan Province to the east and north. Hormozgan is also home to the famous port city of Bandar Abbas, which hosts a

giant oil and petrochemical complex that has already been struck at least once by Israeli forces.

What really matters for our purposes is that Hormuz also connects several other of the world's most prolific oil and LNG producers – including Iraq, Kuwait, Qatar, and Saudi Arabia – to their overseas clients. As a result, every day, about a quarter of the world's crude oil and LNG requirements exit the Gulf through Hormuz, making it the most strategically important chokepoint of our times. If this flow were halted or even significantly slowed, the consequences could be disastrous for much of the world. Although most of these exports are typically bound for markets in Asia, even a brief reduction in available oil and gas could send crude prices, currently a little more than \$70 a barrel, shooting past \$100 or even \$120 in short order.

If such a supply crisis lasted any length of time, the global economy would enter uncharted territory. Not only would sky-high energy prices cause inflation to rise across the board, but fuel shortages could also be expected to cripple businesses of every size and sort. Transport and manufacturing, food processing and medical research, power generation, household heating and cooling, even the Internet itself: everything that depends on energy could slow to a trickle. A global recession would almost certainly ensue, and given the current trade environment, that might lead to another Great Depression.

So what might cause such an interruption? There are several possibilities, including the accidental sinking or crippling of a supertanker or two in just the right (i.e., wrong) place(s). Even if one or more accidents did not make Hormuz physically impassable, they could make insurance rates prohibitively expensive, causing many would-be off-loaders to decide against hazarding their ships amid the crossfire. Alternatively, Iran could decide to close the strait in order to punish the “international community” in general, for not

doing enough to rein in the Israelis.

Whatever the rationale, the potential for global economic ruin – not to mention the ecological and public health risks posed by leaks of oil, nuclear materials, and/or other toxins into the environment – is simply not a risk that most intelligent people want to run. It therefore behooves those with the power to change the situation to do everything they can to end the conflict before its costs become more than a fragile world economy can bear.

Another is how to get Iran to behave itself, and that, too, shapes up as a difficult task. The Islamic Republic has spent most of the past half-century seeking to undermine US and Israeli influence over the region, and its substantial investments in proxy militias abroad and its own military at home may be skewing high-level decision-making. As the saying goes, when all you have is hammer, everything starts to look like a nail.

Despite these obstacles, it remains a fact that war is almost never preferable to negotiation. Iran and Israel agree on very little, their objectives are often in direct opposition to one another, and each views the other as a murderous and illegitimate state. Nonetheless, whether they realise it or not, both sides have a vested interest in ending the current conflict. Given the massive disparities in their respective strengths and weaknesses, this conflict could turn into a long-term bloodletting in which the value of anything achieved will be far outstripped by the cost in blood and treasure.

But who will get the two sides to so much as consider diplomacy when both of them are increasingly committed to confrontation? Although several world leaders have offered to act as mediators, the belligerents don't trust very many of the same people. To my mind, this opens a door for Qatar, which has worked assiduously to maintain relations with all parties – and which already has a highly impressive record as

a peacemaker – to step up in some capacity.

Whether it provides a venue for direct talks, a diplomatic backchannel for exchanging messages, or some other method, Doha has proved before that it can be a stable platform and a powerful advocate for peaceful negotiations. Let us hope it can do so again.

- *Roudi Baroudi is a four-decade veteran of the oil and gas industry who currently serves as CEO of Energy and Environment Holding, an independent consultancy based in Doha.*

The true cost of ocean plastic pollution



The problem of maritime plastic-waste pollution first became apparent in the 1970s. In the half-century since then, the problem has become ever more widespread, as scientific expeditions conducted by the Tara Ocean Foundation (of which I am executive director) have shown. Large pieces of debris, such as fishing nets, and their disastrous effects on marine life, are the most visible symptom. Such waste is estimated to kill more than one million seabirds and over 100,000 marine mammals annually, often through entanglement or suffocation, and promotes transport of invasive species, triggering a cascading effect on the ecosystems in which they play a central role.

Less visible, but more pervasive, are microplastics, which have been found in the deepest ocean trenches and all types of marine life. Microplastics can, among other things, modify bacterial and viral communities and disperse chemical toxins in food chains (often after being ingested by marine organisms). Some of these toxins, such as phthalates, are

associated with the chemistry of plastics, while others, such as pesticides and heavy metals, are absorbed by the plastic before it reaches the ocean and enters the food chain.

How these toxic substances interact with plastics has been the subject of much study. Plastic is comprised of monomers that have been chemically bonded to form long chains of polymers – ethylene, styrene, and propylene become polyethylene, polystyrene, and polypropylene. But the process of polymerisation is often imperfect, and some of the unpolymerised monomers that remain in plastic, like different types of styrene and bisphenol, pose major environmental and health risks.

Moreover, other chemical additives, including plasticisers, fillers, colorants, flame retardants, and antioxidants, are incorporated into polymer formulations to modify their properties. And non-intentionally added substances (NIAS) – impurities, raw materials used in manufacturing, byproducts, and degradation products – bind to finished plastics. In most cases, because free monomers, additives, and NIAS are simply trapped within the tangle of polymer chains, rather than being chemically bound to them, they are more likely to leach out during the production, use, and disposal of plastic, migrating into liquids, gases, and solids. Some 16,000 such molecules have been identified, but their effects are still not fully known, nor is their toxicity, which can change depending on how they are combined. What we do know is that one-quarter of these 16,000 molecules are pose a hazard to human health or the environment by disrupting biochemical processes in living organisms.

Halting the flow of microplastics and toxic pollutants into the world's bodies of water is a Sisyphean task. Nevertheless, scientists are trying to stem the problem. For example, the Tara Europa expedition, in coordination with the European Molecular Biology Laboratory and more than 70 scientific institutions across the continent, has spent the past two

years investigating how these hazardous substances make their way into the seas and oceans bordering Europe. The mission plans to share its findings soon.

But the generation of toxic waste and debris is not the only way that plastic can harm ocean health. The plastics industry has been a major driver of climate change, accounting for an estimated 3.4% of global greenhouse-gas (GHG) emissions. Plastic production is on track to contribute 15% of GHG emissions by 2050, exacerbating global warming and thereby increasing the threats to marine life, which is sensitive to rising water temperatures.

Because plastic degrades the entire biosphere, not just the ocean, it is not a waste problem that can be solved by a few sustainability-minded citizens' recycling efforts. This is a systemic crisis that requires an economy-wide solution. A better approach is to understand plastic as one of the "new entities" that must not leak into the environment, a view initially formulated by the Stockholm Resilience Centre in its work on planetary boundaries and later endorsed by the United Nations. While acknowledging the impossibility of defining a precise threshold for harm, such an approach highlights the need for a drastic reduction in plastic use.

Research suggests that it would be economically feasible to halve global plastic production at a cost which would almost surely be less than the cost of inaction. But, according to a recent study by researchers at the University of California, Berkeley, even this reduction would not be enough to limit global warming to 1.5° Celsius above preindustrial levels, the target set by the Paris climate agreement. Instead, they found that meeting this goal would require a 75% reduction in plastic production compared to 2015.

'THE POSSIBILITIES ARE ENDLESS': ENERGY EXPERT LAUNCHES NEW BOOK ON RESOLVING MARITIME BOUNDARIES



ZOUK MOSBEH, 23-04-2025: Energy expert Roudi Baroudi signed copies of his latest book during a launch event at Notre Dame University – Louaize on Wednesday.

The book, "Settling Maritime Boundaries in the Eastern Mediterranean: Who Will Be Next?", is part of Baroudi's years-long effort to promote regional energy cooperation. In it, the author makes the case that if East Med countries are serious about exploiting their offshore hydrocarbons, they need to settle their maritime borders in order to attract the major energy companies whose technical and financial muscle are virtual prerequisites for undersea oil and gas activities.



Co-hosted by the Office of NDU Publications (which published the book) and the university's Office of Research and Graduate Studies, the signing event took place at NDU's Pierre Abou Khater Auditorium. All proceeds from sales of the book will go toward Student Financial Aid at NDU.

Inspired by the landmark US-brokered October 2022 agreement that saw Lebanon settle most of its maritime boundary with old foe Israel, the new tome stresses the need to define other East Med borders as well, including those between Lebanon and Cyprus, Lebanon and Syria, Syria and Cyprus, Cyprus and Turkey, and Turkey and Greece.

Publication was delayed by the outbreak of the Gaza war in October 2023, but the author says that conflict – which also led to massive destruction and loss of life in Lebanon – only underlines the need for regional players to find a new *modus vivendi*.



“We can’t keep doing the same things over and over again, and then expecting a different outcome,” Baroudi said during the NDU event. “For the first time in many years, all of Lebanon’s branches of government – Parliament, Cabinet, and Presidency – are fully functional. We have to start thinking of ways to reduce the scope for friction, to open the way for foreign investment, and hopefully start producing offshore gas.”

“Almost all of Lebanon’s energy needs are met by imported hydrocarbons; imagine if we discover enough gas to provide 24/7 electricity to all Lebanese,” he added. “And what if we had enough to start exporting it, too? Lebanon’s coast is less than 100 kilometers from Cypriot waters: this means that once the island and its partners have built a pipeline and/or a liquified natural gas plant, Lebanese gas could flow straight into the entire European Union, one of the world’s largest energy markets. The possibilities are endless. And now imagine all of the countries of the region having similar prospects – just because they finally got around to figuring out where their national waters begin and end.”

In addition to the manifold benefits of energy security and lucrative export revenues to fund domestic investment in things like education, healthcare, fighting poverty, and transport, Baroudi said the exercise of negotiating sea

borders could help build trust and good will.

“There isn’t enough of those commodities in the East Med region, and often for good reason,” he explained. “But we have to start somewhere, and maritime boundaries are a great place to do that because they open the way for investment and various forms of cooperation, direct or indirect, including fisheries monitoring and regulation, marine protected areas, tourism, weather forecasting, search and rescue, etc.”

With more than 47 years of experience, Baroudi has worked in multiple fields, from electricity, oil and gas, and petrochemicals to pipelines, renewables, and carbon pricing mechanisms. He also has led policy and program development with, among others, the World Bank, the US Agency for International Development, the International Monetary Fund, and the European Commission. The author of several books – including “Climate and Energy in the Mediterranean: What the Blue Economy Means for a Greener Future” (2022) – as well as numerous studies and countless articles, his expertise has made him a highly sought-after speaker at regional energy and economic conferences. Currently serving as CEO of Energy and Environment Holding, an independent consultancy based in Doha, he is also a Senior Fellow of the Transatlantic Leadership Network, a Washington think-tank. In 2023, he received the TLN’s Leadership Award in recognition of his efforts to promote peace.

**ENERGY EXPERT’S NEW MARITIME
BOUNDARY BOOK ARRIVES AMID**

**WAVE OF EAST MED BORDER
DIPLOMACY**

Roudi Baroudi

SETTLING MARITIME BOUNDARIES IN THE EASTERN MEDITERRANEAN: WHO WILL BE NEXT?

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LEBANON
PRESS

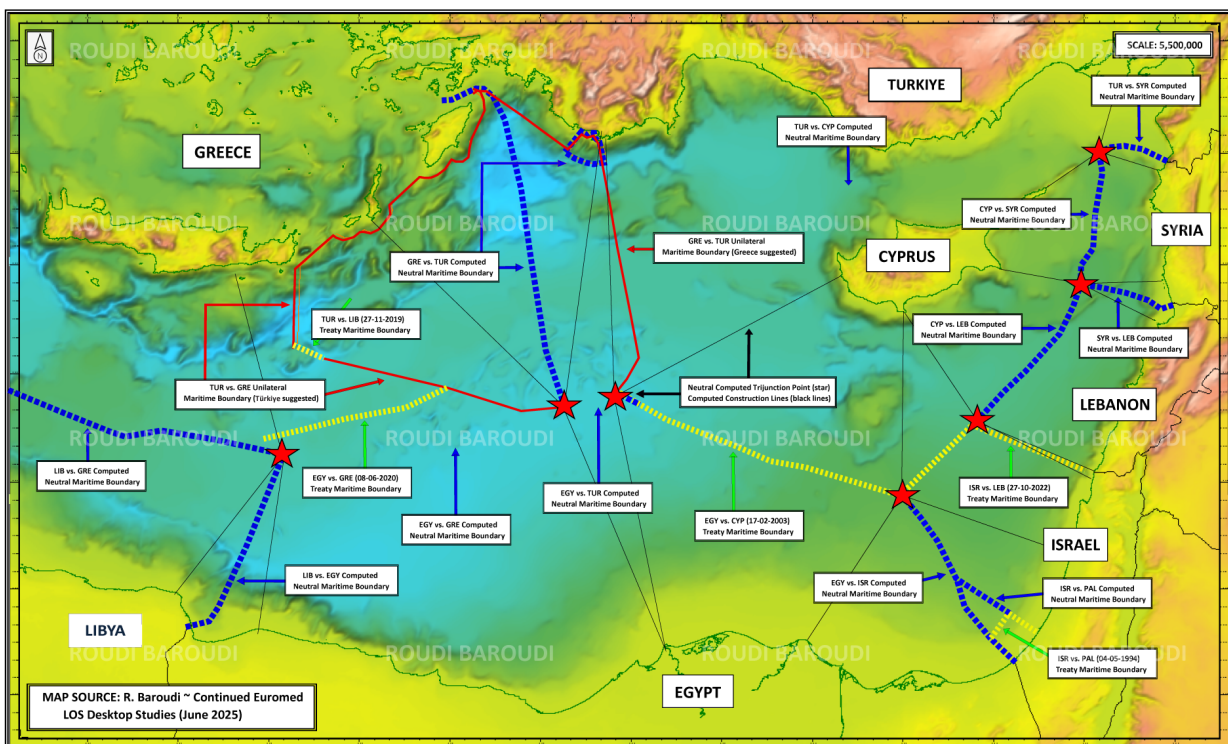
Recent weeks have seen multiple contacts among several countries including – Cyprus, Greece, Lebanon, and Syria – aimed at increasing cooperation among East Mediterranean

countries.

This flurry of diplomatic activity provides the perfect backdrop as Notre-Dame University – Louaize is pleased to announce that it will host a book launch and signing on April 23rd, welcoming international energy expert Roudi Baroudi as he releases his latest work, “Settling Maritime Boundaries in the Eastern Mediterranean: Who Will Be Next? ”

The book outlines the need for countries in the region to resolve their maritime boundaries, the energy and other economic opportunities that doing so could open up, and the legal, scientific, and technical means of ensuring that delimitation is fair and equitable. The volume even carries exclusive, high-precision maps indicating with unprecedented accuracy where the negotiated or adjudicated sea borders of several East Med countries would be, as per United Nations rules.

EURO MED RESOLVED & UNRESOLVED MBL 2025



Yellow lines - Fully Treated MBs.

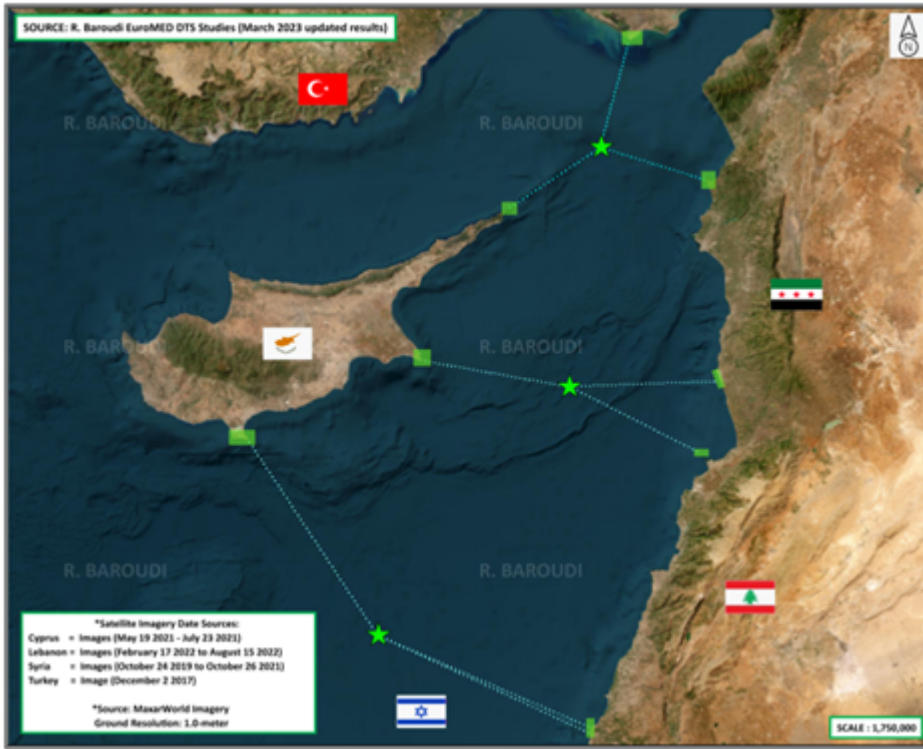
Dark Blue dashed lines - 100% neutral strict equidistance lines (unresolved/disputed)

Red solid lines - Unilateral Claimed MBL

The book emphasizes that settling these unresolved boundaries – including those between Lebanon and Cyprus, Lebanon and Syria, Greece and Turkey, Turkey and Syria, Syria and Cyprus, and Turkey and Cyprus – is a necessary first step for those seeking to develop offshore energy resources. The advent of energy security and possible lucrative exports could have a profound effect on several states, allowing them to make historic investments in schools, hospitals, and transport infrastructure, all while creating well-paying jobs and reducing poverty and inequality. Baroudi also highlights a series of cross-border benefits, including reducing potential irritants between neighbors, building trust, and opening up new avenues for cooperation.

As a 47-year veteran of the energy industry, Baroudi has a wealth of experience to share, and does so frequently as an author and speaker, promoting energy as a catalyst for dialogue and peace wherever and whenever he can. He will be on hand for the launch at NDU's Pierre Abou Khater Auditorium beginning at 12:00 noon, answering questions and signing copies of the book for anyone who purchases one.

All sale proceeds will go toward Student Financial Aid at NDU.



Ensuring Europe's supply of critical minerals



The European Union's plan to achieve net-zero emissions by 2050 has an Achilles' heel: the EU relies on external sources – particularly Chinese companies – for 70-90% of the massive amount of critical raw materials needed to manufacture wind turbines, solar cells, batteries, and other green technologies. This dependency poses a serious risk: China's recent ban on exports of gallium, germanium, antimony, and other dual-use materials to the US suggests that it could take similar action against Europe, especially in light of EU tariffs on Chinese electric vehicles.

The new European Commission has rightly put critical raw materials at the top of its agenda. Fortunately, it will not be starting from scratch. Last year, the EU adopted the Critical Raw Materials Act, which calls for the bloc to extract 10%, process 40%, and recycle 25% of what it consumes annually by 2030, and limits the share of any external supplier to 65%. To meet the CRMA's targets, the Commission must focus on co-ordinating funding, engaging in resource diplomacy with Africa, and establishing secondary material partnerships.

Mining is a capital-intensive industry, and overseas upstream activities require public support in terms of both equity and debt. The CRMA anticipates mobilising finance from various sources, including the EU's Global Gateway initiative and the European Investment Bank. Some member states have also established their own national funds. Germany launched a €1bn (\$1.04bn) raw-materials fund, while Italy introduced a €1bn "Made in Italy" fund for critical minerals, and France dedicated €500mn under its 2030 investment plan to enhance domestic industry's resilience to disruptions of the metal supply chain.

But while several public-finance streams are available, the funding landscape is scattered and not well aligned, creating confusion. Moreover, there are no explicit rules governing how the Critical Raw Materials Board, which was established to support the CRMA's implementation, designates projects as "strategic" and thus eligible to receive EU funds. The European Commission can address these issues by streamlining existing funding lines, which would ensure that national and EU finance work in tandem to achieve the best results and scale, and by establishing timelines for decision-making, which would provide clarity for corporate investment in upstream, midstream, and downstream assets.

The CRMA must also establish partnerships with resource-rich countries that deliver quick and tangible results. Bolstering ties with African countries, which hold some 30% of the world's mineral resources, will be especially important. But, compared to other regions, investment in mineral exploration on the continent remains low, and China funds most of it. The EU's resource diplomacy should focus on lowering investment barriers while helping African partners move into higher-value-added activities, such as downstream processing, and invest in industrial upgrading.

AfricaMaVal, an EU-funded project promoting sustainable partnerships and responsible mining on the continent, should

become a vehicle for linking European and African firms and addressing extraction needs. Building on comprehensive assessments of mining prospects across Africa, and taking into account the STEM (science, technology, engineering, and mathematics) skills of local workforces, AfricaMaVal can identify new business opportunities along the value chain. This could evolve into a joint investment platform for the sustainable production of critical raw materials. The European Commission would thus be doing what it does best: catalysing private investment toward its policy goals, which, in this case, is building the infrastructure and clean-energy systems required for future mining projects.

Lastly, the Commission should address the CRMA's major blind spot: the lack of domestic feedstock to meet its recycling targets. Global competition for secondary materials is already stiff, as evidenced by businesses' increasing efforts to secure enough steel scrap. Recycling input rates – the share of total demand – are just 3% for light rare-earth elements and zero for battery-grade lithium.

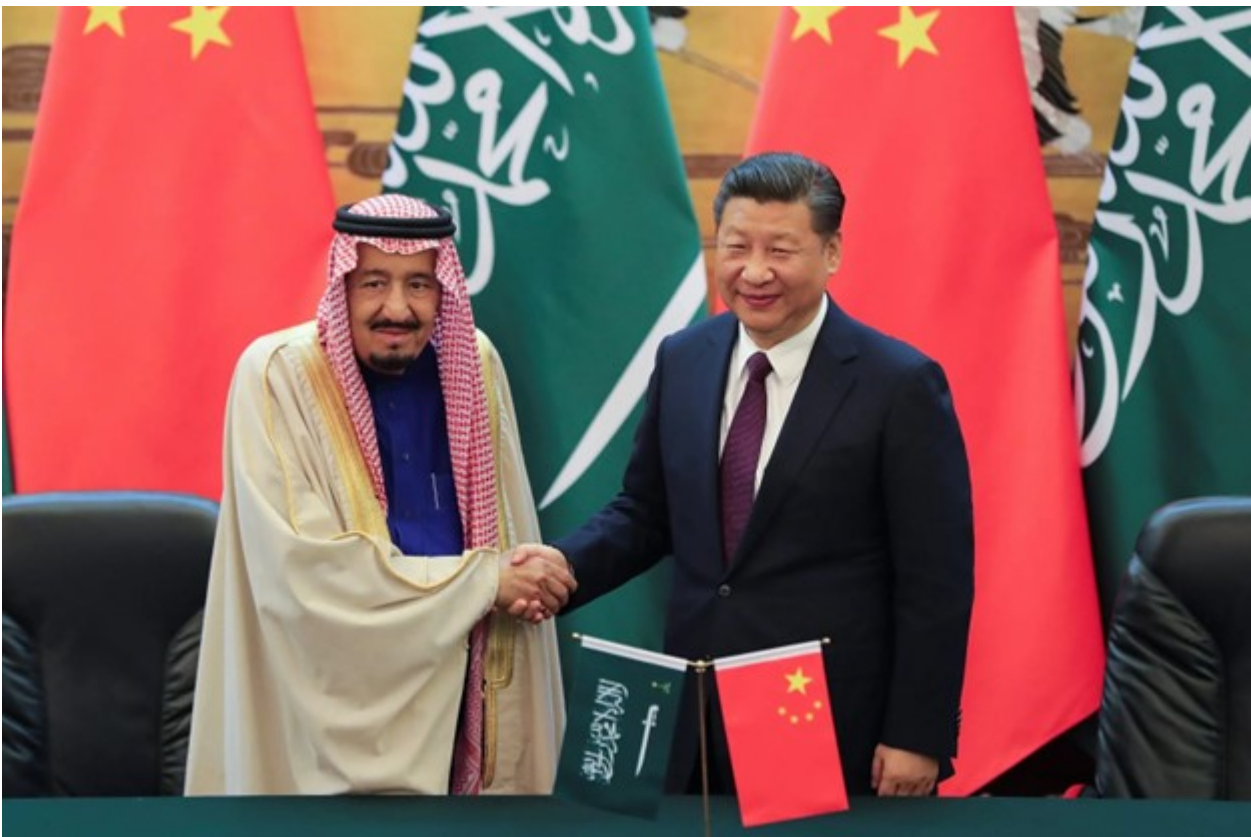
Establishing secondary-materials partnerships with emerging economies, which have rapidly growing markets for cell phones, laptops, and other appliances, would boost the EU's supply of recycled critical raw materials, particularly rare-earth elements. The focus should be on optimising the recycling value chain by providing financing and capacity-building assistance for waste-sorting and collection systems in partner countries, creating mutually beneficial economic and environmental outcomes.

The EU is facing an uphill battle to source and produce the critical raw materials that will define its future. And while the CRMA hardly represents an easy fix for the bloc's import dependency, it can strengthen supply-chain resilience, contribute to EU sovereignty, and bolster Europe's economic security – in other words, boost the bloc's industrial competitiveness against a worsening geopolitical backdrop. But

to realise the CRMA's full potential, the Commission must make it fit for purpose. – Project Syndicate

- *Rüya Perincek, a policy fellow at the Willy Brandt School of Public Policy at the University of Erfurt, is an adjunct senior fellow at the Global Centre for Mineral Security. Andreas Goldthau is Director of the Willy Brandt School of Public Policy at the University of Erfurt.*

AS AMERICA “PIVOTS TO ASIA”, SAUDI ARABIA IS ALREADY THERE – BY ROUDI BAROUDI



The biggest news in the energy industry last week was that a state-owned Chinese company had completed a massive offshore

oil and gas platform for Saudi Aramco. Breathless media reports shared impressive details about the facility's record-setting size, weight, and output capacity, with some describing it as a massive bet on continuing strong demand for fossil fuels despite the meteoric rise of renewables.

The real significance of this news, though, is not to be found at the Qingdao shipyard where it was made, at the headquarters of the China Offshore Oil Engineering Company that built it, or at the Marjan field off Saudi Arabia's east coast where it will be installed and operated.

In fact, in order to truly appreciate the implications involved, one needs to travel back in time a little more than 50 years. For on 8 June 1974, the United States and Saudi Arabia reached a historic agreement that has bound the two countries ever since.

Signed by then-US Secretary of State Henry Kissinger and then-Minister of Interior Prince Fahd bin Abdulaziz, the pact established two joint commissions tasked, respectively, with increasing bilateral economic cooperation and with determining the kingdom's military needs. It also created several joint working groups responsible for specific elements to support growth and development, including efforts to: a) expand and diversify Saudi Arabia's industrial base, beginning with the manufacture of fertilizers and other aspects of the petrochemical sector; b) increase the number of qualified scientists and technicians available to make the most of technology transfers; c) explore partnerships in areas like solar energy and desalination; and d) find ways to cooperate in agriculture, especially in the desert.



Henry Kissinger with Prince Fahd of Saudi Arabia, 1974

Contrary to widespread misperceptions, the agreement did not say anything about Saudi crude being priced and/or transacted exclusively in US dollars. In a side-deal that remained secret until 2016, however, the United States pledged full military support in virtually all circumstances and the Kingdom of Saudi Arabia committed to investing a massive share of its oil revenues in US Treasury bills. While there was no public quid pro quo, therefore, this was to some extent a distinction without a difference: the world's biggest oil exporter ended up spending hundreds of billions of dollars on American debt and American-made weapons, making it only sensible that the vast majority of its crude sales would be in greenbacks. By extension, the sheer weight of Saudi oil in world markets – and especially within the Organization of Petroleum Exporting Countries – virtually guaranteed that the dollar would become

the de facto default currency of those markets, Petrodollars.

These arrangements suited both sides at the time, which featured a very particular set of circumstances. The previous year, as Egypt and Syria attempted to regain territories occupied by Israeli forces since the 1967 war, US President Richard Nixon authorized an unprecedented airlift of weaponry – everything from tanks, artillery, and ammunition to helicopters, radars, and air-to-air missiles – to Israel. Arab oil producers responded by playing their strongest card, announcing an oil embargo against states that supported the Israeli war effort. That led directly to supply shortages, soaring prices, and long lines at filling stations across the United States and many other countries, too, and indirectly to several years of higher inflation. Although the embargo had been lifted in March 1974, Washington was keen to prevent similar shocks in the future.

The American economy was particularly vulnerable to longer-term repercussions because of several factors, including a general slowdown caused by its long, expensive, and ultimately unsuccessful war in Vietnam. The real problem, though, stemmed from another issue: in 1971, as the dollar continued to lose ground against major European currencies, Nixon had taken the United States off the gold standard, gutting the Bretton Woods arrangements put in place after World War II and throwing foreign exchange markets into disarray. With the Cold War as backdrop, America appeared to be losing ground in its strategic competition with the Soviet Union.

The so-called “side-deal”, then, was actually far more important than the public agreement because it would restore the dollar’s primacy in international markets, making it once again the world’s favorite reserve currency, while simultaneously reducing the likelihood of future Arab oil embargos. The new system worked very well for a very long time: the US economy regained its stability, and Saudi Arabia embarked on a long program of socioeconomic development that

continues to this day. Even as the Americans have sought further protection by reducing their reliance on Saudi and other OPEC crude, their bilateral partnership and the dollar's general prevalence in the oil business have likewise persisted despite all manner of diplomatic spats, crises, and other obstacles.

Back in the present-day, the Soviet Union is no more, and although the United States has an even more formidable strategic rival in China, this competition carries neither the day-to-day intensity nor the seeming inevitability of nuclear Armageddon that the Cold War engendered. In addition, the United States is now producing more crude oil than any country ever has, further insulating its economy against exogenous shocks, while China's rapid expansion has made it the world's most prolific energy importer. In fact, Washington is years into a "pivot to Asia" that will see it focus less attention on the Middle East.

Meanwhile, Saudi Arabia is now led by Crown Prince, Mohammed bin Salman (MBS), a young and highly ambitious ruler who has shown himself more than willing to act independently of American desires or even demands. Accordingly, it should not surprise anyone that the behemoth facility now being transported to Marjan is just the most visible tip of the Sino-Saudi iceberg. There is a burgeoning relationship driven by complementary needs, with both parties investing in one another's economies and cooperating on large-scale energy and industrial projects.

Given all of the foregoing, it is much too early to declare the end of an era. Even if rumors that the Saudis will soon start selling oil futures contracts in yuan or other currencies turn out to be true and the results include an erosion of the dollar's value, the US-Saudi economic relationship remains very much in place, as do defense ties ranging from procurement and maintenance to joint exercises and training. This is not to mention the approximately 60,000

Saudi students who study at American universities every year, or the countless other business and/or personal ties nurtured over decades.



Then, US President, Jimmy Carter receiving the Crown Prince Fahd of Saudi Arabia at the White House in Washington, 1977. Seeing the continuation of the Petrodollar Agreement.

All the same, a new era has definitely begun: just as the Americans have opened up other avenues to secure their energy needs, the Saudis are now moving decisively to diversify their foreign partnerships and have been doing so for many years. Inevitably, the global oil and gas economy's center of gravity will shift eastward, but how could it be otherwise when China and several other Asian economies have become such powerhouses? The diversification path will almost certainly include occasional stretches where Riyadh will have to make difficult decisions, but this, too, reflects the confidence

that MBS has in his country's ability to determine its own destiny.

Roudi Baroudi has worked in the energy sector for more than four decades, with extensive experience in both the public and private sectors. Having advised dozens of companies, governments, and multilateral institutions on program and policy development. He has been a loyal advocate for energy stability and peace. He is also the author or co-author of numerous books and articles, and currently serves as CEO of Energy and Environment Holding, an independent consultancy based in Doha, Qatar.

**'Prerequisites for peace':
Expert applauds Skylakakis
for endorsing energy
transition policies that
'open the way to dialogue and
cooperation'**



ATHENS, July 7, 2024 Greece: Energy and Environment Minister Theodoros Skylakakis is on the right track with his approach to Greece's energy transition plans, a noted regional expert says.

"He's got the right perspective," industry veteran and author Roudi Baroudi said after Skylakakis spoke at this week's Athens Energy Summit. "He understands that although the responsibility to reduce carbon emissions is universal, the best policy decisions don't come in 'one-size-fits-all'."

Baroudi, who has more than four decades in the field and currently serves as CEO of Doha independent consultancy Energy and Environment Holding, made his comments on the sidelines of the forum, where he also was a speaker.

In his remarks, Skylakakis expressed confidence that Greece's increasing need to store electricity – as intermittent renewables generate a growing share of electricity – would drive sufficient investment in battery capacity, without the need for subsidies. Among other comments, he also stressed the need for European Union policymakers to account for the fact that member-states currently face the costs of both limiting

future climate change AND mitigating the impacts that are already under way.

“Every country is different in terms of how it can best fight climate change. Each one has its own set of natural resources, industrial capacity, financial wherewithal, and other variables. What works in one situation might be a terrible idea elsewhere. That’s crucial and Skylakakis gets it,” Baroudi said. “He also understands that an effective transition depends on carefully considered policies, policies that attract investment to where it can not only have the greatest impact today, but also maximizes the impact of tomorrow’s technologies and tomorrow’s partnerships.”



“What Skylakakis is saying and doing fits in nicely with many of the same ideas I spoke about,” Baroudi added. “When he talks about heavier reliance on wind farms, the added storage capacity is a foundation that will help derive a fuller return from each and every turbine. When he highlights the utility – pun intended – of power and gas interconnections with other countries and regions, these are the prerequisites for peace, the building blocks for cooperation and dialogue.”

In his own speech shortly after Skylakakis’, Baroudi told the audience at the capital’s Hotel Grande Bretagne that countries

in the Eastern Mediterranean should work together to increase cleaner energy production and reduce regional tensions.

“Surely there is a method by which we can re-establish the same common ground enshrined in the wake of World Wars I and II, recall the same common interests and identify new ones, and work together to achieve common goals, just as the UN Charter implores us to,” he said.

Baroudi advises companies, governments, and international institutions on energy policy and is an award-winning advocate for efforts to promote peace through dialogue and diplomacy. He told his audience that with both climate change and mounting geopolitical tensions posing threats to people around the world, policymakers needed to think outside the usual boxes.

In this way, he argued, “we might develop the mutual trust which alone can create a safer, happier, and better world for our children and grandchildren.”

“Consider the possibilities if Greece, Türkiye, and Cyprus became de facto – or de jure – partners in a pipeline carrying East Med gas to consumers in Bulgaria, Romania, and Italy,” he said. “Imagine a future in which Israeli and Lebanese gas companies were similarly – but independently – reliant on the same Cypriot LNG plant for 10-20%, or even more, of their respective countries’ GDPs.”

He also envisioned bilateral cooperation scenarios between Greece and Turkey and Syria and Turkey, as well as a regional interconnection that would provide backup energy for multiple coastal states.

“Instead of accepting certain ideas as permanently impossible, we ought to be thinking ahead and laying the groundwork,” Baroudi said. “For Greece and Türkiye – as for other pairs of coastal states in the region – a good starting point would be to emulate the Maritime Boundary Agreement agreed to by

Lebanon and Israel in 2022.”

Stressing the potential for cooperation to address both energy requirements and the stability required for stronger growth and development, Baroudi – whose books include a 2023 volume about the Lebanon-Israel deal and a forthcoming one urging other East Med countries to do the same – called on the EU to take up the challenge.



“Using dialogue and diplomacy to expand energy cooperation would benefit not just the countries of the East Med but also the entire European Union and much of its surrounding ‘neighborhood’,” he told an audience of energy professionals and key government officials. “That level of promise more than merits the attention of Brussels, the allocation of support resources, and even the designation of a dedicated point-person tasked with facilitating the necessary contacts and negotiations.”

“This is how we need to be thinking if we want to get where we need to go,” Baroudi said. “Instead of allowing ourselves to be discouraged by the presence of obstacles, we need to be investigating new routes that go around them, strengthen the

rule of law – especially human rights law – as a basis for the international system, and promote lasting peace among all nations. Only then can we declare victory over what the 18th-century Scottish poet Robert Burns called ‘man’s inhumanity to man’.”

الخبير في مجال الطاقة رودري بارودي: دول شرق البحر المتوسط يجب أن تتعاون بمجال الطاقة



أشار أحد أهم الخبراء في مجال الطاقة رودري بارودي، في مؤتمر انعقد في أثينا، إلى أن “دول شرق البحر الأبيض المتوسط يجب أن تتعاون مع بعضها لزيادة إنتاج وتصدير الطاقة والتخفيف من التوترات الإقليمية”.

وقال بارودي امام المشاركين في المؤتمر: "يجب ان نضع في الاعتبار الاحتمالات الايجابية إذا أصبحت اليونان وتركيا وقبرص شركاء بحكم الواقع أو بحكم القانون في خط أنابيب ينقل غاز شرق المتوسط إلى المستهلكين في بلغاريا ورومانيا وإيطاليا، وان نتخيل مستقبلاً تعتمد فيه شركات الغاز الإسرائيلية واللبنانية ولكن بشكل مستقل "على نفس مصنع الغاز الطبيعي المسال في قبرص".

وأضاف بارودي "لننتصور اهمية وايجابية سيناريوهات التعاون الثنائي بين اليونان وتركيا من جهة وسوريا وتركيا من جهة ثانية إضافة إلى الترابط الإقليمي الذي سيوفر طاقة احتياطية لدول ساحلية متعددة"، لافتاً إلى أنه "بدلاً من قبول أفكار معينة على أنها مستحيلة بشكل دائم، يجب أن نفكر في المستقبل ونضع الأساس لعمال ايجابية مشتركة على ان تكون نقطة البداية الجيدة مماثلة لاتفاقية الحدود البحرية بين لبنان وإسرائيل في عام 2022".

وشدد بارودي أمام حشد من المتخصصين في مجال الطاقة ومسؤولين حكوميين على أن "استخدام الحوار والدبلوماسية لتوسيع التعاون في مجال الطاقة لن يفيد فقط دول شرق البحر المتوسط ولكن أيضاً جميع دول الاتحاد الأوروبي والكثير من" الجوار "المحيط به وان هذا الاستحقاق المهم يستحق أكثر من اهتمام بروكسل، لا بل يستحق تخصيص موارد الدعم، وتعيين موفد مكلف بتسهيل الاتصالات والمفاوضات اللازمة".

وختم بارودي بالقول: "هذه هي الطريقة الفضلى التي نحتاجها للتفكير إذا أردنا الوصول إلى حيث يجب ان نكون بدلاً من السماح لأنفسنا بالإحباط بسبب وجود عقبات، فنحن نحتاج إلى التفتيش عن طرق جديدة وحديثة تلتف على الافكار والمواقف القديمة، وتعزيز سيادة القانون وخاصة قانون حقوق الإنسان كأساس للنظام الدولي، وتعزيز السلام الدائم بين جميع الدول، عندها فقط يمكننا إعلان النصر على ما أسماه الشاعر الاسكتلندي روبرت بيرنز في القرن الثامن عشر: وحشية "الإنسان للإنسان".