

Saudi Arabia and Iran – an unholy alliance

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Russia and China are using Saudi Arabia and Iran to create a North South trading corridor to dilute the trading power of the West.

China, as the Big Brother within the BRICS trading bloc, is seeking to mediate between the two to establish a trading agreement that would benefit all parties involved, excluding the West. This move by China is in-line with its long-term strategic goal of expanding its influence and economic ties in the Middle East.



With Saudi Arabia and Iran being two major powers in the Middle East region, any potential agreement between them will have significant implications for energy markets and regional security matters. It is important to evaluate the potential benefits and risks associated with this trading accord between the two, and how it could impact the wider global economy.

On the positive side, a trading agreement between these two highly volatile countries could lead to increased economic co-operation and stability within the region, assuming they can actually sit and negotiate together. Both countries have significant oil reserves, and any negotiated settlement could lead to the creation of a regional oil market that would provide a more stable pricing environment for global consumers.

Furthermore, with China acting as the Big Brother (while Saudi and Iran are being pushed and cajoled by Russia in the background), the two countries are more likely to reach a mutually beneficial agreement, which will potentially reduce tensions and improve regional security, leading to a more stable political environment. However, there are also risks associated with this potential relationship.

Firstly, any agreement between Iran and Saudi could have an impact on global oil markets, potentially leading to a decline in oil prices. This could have significant economic consequences for oil exporting countries around the world.

Secondly, this agreement, if enacted, could be perceived as an alignment of interest between Iran and Saudi, which could have broader geopolitical implications. It could lead to increased tensions with other regional powers, such as the United States and Israel, having a negative impact on regional stability.

Let's not forget that both countries have been fighting a proxy war for some considerable time in Aden. Iran has been using and funding both Hezbollah and the Houthis with a significant loss of life. Such an extreme conflict will live long in the memories of those involved, making any negotiations difficult.

Finally, the role of China in mediating this agreement will have implications for the balance of power in the region. As China seeks to expand its influence in the Middle East, it could potentially challenge the existing geopolitical order, which could have consequences for global security and economic stability.

In conclusion, while a trading agreement between Saudi Arabia and Iran could have potential benefits, it is necessary to consider the potential risks. It will now be more important than ever to closely monitor the developments surrounding this relationship between two bitter enemies brought together by two global superpowers for their own political and economic objectives, in retaliation to the sanctions and actions being taken against them by the West.

KCS Group Europe continues to monitor the activities of both Russia and China in partnership...

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