

## Analysts say Biden may use waivers on Iran oil sanctions to limit price impact

Legislation pushing Joe Biden to ratchet up sanctions on Iranian crude oil is on track to become law as early as this week. But don't expect the president to fully use his new powers any time soon.

The measure was passed by the US House of Representatives over the weekend, Bloomberg wrote.

But oil market analysts say Biden will be loathe to make any moves that could increase the price of crude or the gasoline that US motorists buy at the pump. The president is likely to take advantage of the waiver authority built into the sanctions and avoid stringent enforcement, according to policy experts. The administration also permitted Venezuelan oil to continue flowing last week even as it renewed sanctions aimed at President Nicolas Maduro. "Oil traders are nonchalant because they know Biden will certainly sign whatever waivers are necessary to keep Iranian oil flowing into the market just as he is keeping Russian barrels flowing into the market," said Jim Lucier, managing director at Capital Alpha Partners, a Washington-based research group.

The White House National Security Council declined to comment on the sanctions. The administration is still analyzing the legislation, but no impact on oil markets is expected before the fall, a person familiar with the matter said.

The oil market is particularly sensitive right now to the potential for further constraints. Brent crude prices exceeded \$92 a barrel earlier in April, their highest in almost six months, amid strong global demand and ongoing production cuts by OPEC and its allies.

If implemented and enforced, the new sanctions could add as much as \$8.40 to global prices, according to ClearView Energy Partners, a Washington-based consulting firm.

While US gasoline prices are still some way off the levels seen then, they have advanced this year, with peak driving season still to come. There is a "new element of risk" that the measure could be directed at ports, vessels and refineries that engage in the shipping, processing and other transactions involving Iranian crude oil, said Fernando Ferreira, director of Rapidan Energy Group's geopolitical risk services. However, they're also subject to a potential waiver, allowing Biden to make exemptions in cases where national security is deemed a concern.



# Pakistan willing to do its part in Iran gas pipeline: *Owji*



The Iranian oil minister said that Pakistan is keen to fulfill its obligations in completing a part of the Iran-Pakistan Gas Pipeline Project. Speaking on the sidelines of a visit by Iranian President Ebrahim Raisi and his accompanying delegation to Islamabad, Javad Owji stated that

the Pakistani side is willing to see the injection of gas into the pipeline and for this reason, Islamabad is drawing up contracts with various companies for the acceleration of this process, Shana reported. It is hoped that, under the international contract inked between

Iran and Pakistan, "We will witness the export of gas from Iran to the neighboring Pakistan during the administration of President Raisi," he added. The Iran-Pakistan gas pipeline, also known as the Peace pipeline, is an under-construction 1,950-kilometre pipeline to deliver

natural gas from Iran to Pakistan. The development of bilateral cooperation in the field of energy and the export of technical and engineering services were among the other topics discussed between the two sides. Pakistani Minister for Power and Petroleum Musadik

Malik said that there are significant opportunities between Iran and Pakistan to deepen bilateral relations, especially in commercial and economic fields.

In comments after his meeting with Owji, Malik told IRNA that there is great potential between the two countries to deepen commercial and economic cooperation. He stressed that his country is very pleased with Iranian President Ebrahim Raisi's visit to Pakistan, adding, "It is a great honor for us to host the Iranian delegation."

In response to a question about the joint Iran-Pakistan gas project, he said the first phase of negotiations has been held and the two sides will continue this process in the next stages.

The Pakistani minister said there have been comprehensive and reassuring negotiations as well as consultations between the two countries at the ministerial level. "Tehran and Islamabad will continue to cooperate for the prosperity of the region and also to ensure the interests of each other's nations," he added.



## Iran-China three-month trade tops \$4b, data shows

China's Customs said the trade exchanges between Iran and China exceeded \$4 billion in the first quarter of the current year (January to March), showing a 1% growth compared to a year earlier. The report put the value of the trade exchanges between the two countries in the first three months of 2024 at \$4.2 billion, reported Tasnim News Agency.

The trade exchanges between Iran and China from January to March 2023 had been reported to be over \$3.99 billion.

According to the report, China imported \$1.260 billion of products from Iran in the first three months of the current year, registering a 10% growth compared to last year's corresponding period.

China had imported over \$1.145 billion of goods from Iran between January and March 2023, IRNA reported.

In this period, China exported \$2.76 billion of products to Iran, showing a three-percent decline compared to the same period last year. China had exported \$2.845 billion of products to Iran between January and March 2023, the report added.

### Opportunities of Tehran-Beijing partnership

Iran and China, two countries that are in structural conflicts with the current world order, have signed a "Comprehensive Strategic Partner-

ship Agreement" which is centered on geo-economic goals, Press TV wrote.

The document heralds opportunities for Iran's economic diplomacy, but the road to its implementation is riddled with challenges.

The economic opportunities include the potential to facilitate communication and information infrastructure, expand trade and investment, financial and banking cooperation, allow Iran to participate in the Belt and Road Initiative and reduce sanctions pressure.

However, the disparity of expectations from the agreement, the inconsistency of the two countries' theoretical and practical policy-making, their distinct commercial structures, sanction-related snags in financial and banking convergence, and the dearth of economic and commercial diplomats in Iran mean the two countries have an uphill task to implement the agreement.

The most important of these challenges is the heavy shadow of sanctions, which severely limits Iran's room for maneuver, but also a reason for the two countries to cooperate.

The changing structural conditions and the fluidity of the international system marked by the decline of

the US hegemony exert limitations for emerging powers such as China and regional powers such as Iran.

Under structural pressures, Iran and China are faced with certain requirements and contingencies that lead them to convergence. This is the basis for the initiation of the comprehensive strategic partnership agreement which is based on mutual requirements and necessities.

One of the most important manifestations of the hegemonic power's confrontationalism is the use of sanctions, which have been widely used in the United States' foreign policy in recent years in such a way that the number of countries targeted by sanctions has increased.

Although the degree of being impacted by sanctions is a function of the size and strength of economies and hence, it is different from country to country, the imperative to face off the hegemon is common. Under the pressure of several decades of sanctions, which have intensified in recent years due to the nuclear standoff, Iran has pursued

a "look east policy.

Iran's expectations of economic opening after submitting to a nuclear agreement in 2015 were met with former president Donald Trump's unilateral withdrawal from the accord and his imposition of new sanctions under Washington's "maximum pressure" campaign.

Amid the exponential pressure of sanctions, Iran took on the path of Asia to break the tightening web of sanctions and turned its attention to China more than before.

A glance at Iran's trade relations shows China is Iran's first economic partner, with a distant 30% share of the country's foreign trade compared to other countries.

China is the most important source for Iran's technological and industrial needs, the most important buyer of Iranian oil and the only country that has chosen the policy of keeping its economy open to Iran at a time of mounting sanctions pressure.

Moreover, under the guiding principle of "China's peaceful rise", the Chinese government pursues a policy of economic activism in various regions, especially strategic regions such as the Persian Gulf.

Given the enormity of energy intensive industries in China, the imperative to guarantee energy security is one of the key pillars of the country's economic development strategy.

This per se explains Beijing's endeavors to strengthen economic relations with the oil-rich countries of the region such as Iran and Saudi Arabia.

However, it should be noted that the role of Iran is more important and the Chinese are well aware of Iran's capacity and ability to influence the stability and security of the region.

Hence, they are keen to strengthen Iran's stabilizing role in the region in order to guarantee energy security, and the 25-year strategic partnership agreement fulfills this part of China's intentions.