

The Revival Of OPEC+ Is the Next Step in the New Detente

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The emergency OPEC+ talks that are scheduled for 9 April are the next step in the "New Detente" between the US and Russia even though America won't formally be represented at that meeting seeing as how Moscow is making moves that show its interest in stabilizing the global energy markets so as to surprisingly save its rival's sinking shale industry, which could in effect amount to yet another goodwill gesture after its urgent dispatch of counter-COVID aid last week in pursuit of the long-awaited series of "pragmatic compromises" across the world between these two Great Powers.

Brief Backgrounder

The emergency OPEC+ talks on 9 April could pave the path for reviving this recently disbanded mechanism for regulating the global energy markets if it successfully results in a deal, whether on that day or sometime soon thereafter. As a brief backgrounder, Saudi Arabia pulled out of the framework last month in response to Russia refusing to bend to its pressure to further curtail its oil output, which Kremlin strategists then tried to turn to their advantage by attempting to expand their market share at the Kingdom's expense in parallel with crippling their American rival's shale industry that's poised to cause it many more geopolitical problems for them in the coming future if left unchecked. This was explained at length by the author in his analysis at the time about how "Russia's Rejection Of OPEC+ Was The Result Of Cold Geostrategic Calculations", which the reader should review if they're interested in learning more about the rationale behind this decision.

Trump's Diplomatic Intervention

The immediate consequence of this move was that the oil price crashed to record-low levels precisely at the time when the American economy began to shut down as part of its delayed response to World War C, which in turn triggered a stock market crash that's since catalyzed an economic crisis much worse in its severity than the initial onset of the infamous Great Depression was. Russia isn't immune to this economic contagion, but its hefty financial and gold reserves place it in a better position for weathering this storm than its rivals, especially Saudi Arabia in this respect. Accordingly, considering that the Wahhabi Kingdom is responsible for what happened by sabotaging OPEC+ after Russia refused to bend to its demand, the US diplomatically intervened through its Secretary of State to urge Riyadh "to maintain stability in global energy markets", which was a euphemism for it to return to negotiations with Russia over resolving this issue that adversely affects them all.

Trump, however, went even further, <u>publicly expressing interest</u> in joining these two energy superpowers in their forthcoming talks if need be, which makes sense when considering that the US has also become an energy superpower in its own right over the past couple of years

due to its shale industry that nowadays poses such a latent threat to Russia's long-term geopolitical interests. Bearing his teeth, Trump also threatened that he might impose tariffs on future energy imports if those two continue to "treat [his country] unfairly" by not reaching a deal that would save his precious shale industry. While there's a chance that the US would indeed tariff Saudi Arabia to prove a point, the real target of this threat is most likely Russia, which Trump intends to compel into successfully clinching a deal with Riyadh. It's still uncertain whether the forthcoming talks will end with a deal or not, but in the event that they do, then it would be explained by Russia's desire to advance the nascent "New Detente".

The "New Detente"

This concept refers to the series of "pragmatic compromises" with Russia that Trump promised to pursue upon entering the presidency but has hitherto been unable to execute due to unflinching opposition from key forces in his permanent military, intelligence, and diplomatic bureaucracies ("deep state"). A breakthrough was unexpectedly made on the soft power front of this campaign last week, however, after Russia urgently dispatched counter-COVID aid to the country with Trump's permission, which greatly contributed to improving Americans' views of Moscow following over three years of non-stop fake news Russiagate scandals and thus made the public more pliable to passively supporting whatever further outreaches their leader makes towards that state. This was explained a bit more in detail in the author's piece last week about how "Russia's Counter-COVID Aid To America Advances The Case For A New Detente". It's with this background context in mind that one can better understand why Russia would consider saving its shale energy nemesis.

Moscow's Damocles' Sword

Just like any other political actor, Russia recognizes that it's unrealistic to expect that it'll always achieve every one of its maximalist goals, and that sometimes it's better to enter into a "pragmatic compromise" on one or several of them in order to improve its overall strategic standing instead of stubbornly clinging to one objective at the expense of the bigger picture. That outlooks holds true when considering the possibility of Russia once again coordinating oil production cuts with Riyadh and thus reviving the OPEC+ mechanism despite not taking more of its Saudi rival's market share first nor successfully crushing the American shale industry. Superficially speaking, it might appear as though Russia is retreating after reconsidering what some have described as its risky decision to refuse the original production cuts in the first place, but upon further examination in light of the insight that's been revealed in this analysis, it can be argued that Russia succeeded in making its counterparts aware of the Damocles' Sword that it perpetually holds over their heads as leverage, which is a remarkable achievement.

It's this unsettling realization that Russia could once again disrupt their economies at any time by simply refusing to go along with further proposed oil production cuts that motivates Saudi Arabia and the US to take Moscow much more seriously than before. In practice, this means that the Wahhabi Kingdom might finally come to see the Eurasian Great Power as an equal energy superpower, thus reducing the odds that it'll ever again act so condescendingly towards it by demanding that it further curtail its production beyond whatever has already been agreed to if its counterpart openly signals that it's unwilling to budge like last time. Regarding the US, the lifeline that President Putin would be giving the American economy in the midst of its ongoing systemic crisis during World War C would never be forgotten by average Americans and patriotic members of the "deep state" alike,

thus facilitating their leaders' joint vision of a "New Detente" through a series of other "pragmatic compromises" on issues as pressing as NATO, Ukraine, Syria, Iran, Afghanistan, North Korea, et al.

Concluding Thoughts

The unexpected scheduling of an emergency OPEC+ meeting later this week shows just how serious the consequences of the oil price crash have been for the entire world, especially the US, which is nowadays struggling to survive World War C. It was through Trump's diplomatic intervention that the Saudis decided to see whether this framework could be revived or not, but it should also be said that it "takes two to tango" and that nothing of substance could conceivably be achieved without Russia's equal participation in this initiative. The very fact that the Eurasian Great Power is tacitly countenancing saving its American shale energy nemesis shouldn't be interpreted as a "strategic retreat", but as a "pragmatic compromise" in the spirit of the nascent "New Detente" that it's been trying so hard to clinch with Trump since the beginning of his presidency. Far from being a defeat for Russian interests, this scenario would actually represent their victory since the US "deep state" is now keenly aware of Moscow's Damocles' Sword and thus more willing to "play ball" than ever before.

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