

Headline: Iran nuke deal opens floodgates

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Iran is the largest source of gas on the planet, and the gas-hungry European Union is just drooling over this precious energy source, especially for the severe climate-change-driven winters. The recent agreement between Iran and the G5+1 (the United States, France, Britain, China, Russia and Germany) essentially tells Iran to stop producing weapons-grade nuclear fuel in exchange for the lifting of economic sanctions. The deal opens the economic floodgates for Iran with the release of billions of dollars in frozen assets, and the lifting of the ban on trade, especially the multibillion-dollar-a-year gas exports.

As soon as the agreement was announced, Germany sent a trade emissary to Iran, and France is following suit. Ironically, Germany and France are G5+1 members which helped forge the sanctions on Iran. Also ironically, Russia and China are also G5+1 members with strong economic and military ties with Iran, and which likewise signed the sanctions. The G5+1 is indeed a strange coalition of nations at odds with one another. It was established on the basis of economic dominance rather than geopolitical leanings. Now, geopolitics is beginning to undermine the alliance.

An EU-Iran gas deal is critical because the Russian gas pipeline to the European Union is fraught with complex problems. It has to pass through many nations, and there are even moves toward an undersea route. The European Union needs a long-term, reliable gas source. Perhaps Russia, which is the current gas supplier of the European Union, will not mind the EU-Iran gas deal because the demand-driven global market is vast. Russia has turned east, with China as its biggest client.

Still ironically, the Western media view the deal with optimism, but not Israel, with Prime Minister Benjamin Netanyahu branding it as a “historic mistake” and another official saying it is “one of the darkest days in world history” (Roger Cohen, New York Times). The United States believes that the deal would bring to a halt the continued stockpiling of weapons-grade enriched uranium. Although the International Atomic Energy Agency has not found any evidence of missiles, the United States is worried that amassing bullets will eventually lead to suddenly getting a gun. Israel believes that the Iran nuke agreement will boost the economy of Iran, its nemesis, which will eventually lead to a more powerful nuclear Iran. Strangling the Iranian economy is a key Israeli geopolitical strategy. Also, Israel has its own gas to sell.

The Iran nuke agreement still has to be ratified by both the US and Iranian governments. There is a chance it will be abrogated. There is also Israel’s powerful lobby which can undermine the agreement through its vast influence on the US Congress. Will this be the deal of the century or is it doomed to fail?

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AN OIL free-for-all in the Spratlys. A Filipino-Australian consortium plans to conduct oil exploration in disputed areas in the Spratly Islands. The consortium is establishing a new trend—a free-for-all, an “oil rush” similar to the gold rush in California. The Philippines, Vietnam, Malaysia and other claimants, with or without foreign partners, may start to explore and establish outposts. Malaysia and Vietnam already have structures built on some reefs, not to mention runways and deep water ports. It is a first-come-first-served affair, unless China rocks the boat.

At Ayungin (Second Thomas) Shoal, Filipino soldiers standing guard in a rusting ship, the BRP Sierra Madre, have reported vital intelligence data on Chinese naval encroachments. China wants to prevent the Philippines from gaining access to the shoal. The United States recently said it would not permit China to do exactly that. The possibility of the US and Chinese navies going eyeball-to-eyeball is there.

America may also not permit China to deny any nation access to international waters for oil exploration activities. If Australian, French, or British oil companies, in partnership with Asian claimants, are denied access, these countries may wade into the fray to confront China as a coalition.

Assuming that China will not resort to brinkmanship, the Spratlys may become an international oil resource. China's military presence, however, will always be a sword of Damocles threatening Asian claimants and their western partners.

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IS MALAYSIA arming the MILF? A public relations veteran told a breakfast group that Malaysia is reportedly clandestinely giving arms and funds to the Moro Islamic Liberation Front to induce a war in Mindanao and to distract and weaken Philippine efforts to regain Sabah. This should be investigated, and if there is hard evidence, Malacañang should file a diplomatic protest at once. There can be no peace if rebels are allowed to have arms.

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