

Pepe Escobar: Iran Just DEFIED Trump, Air Defenses LIGHT UP Over Tehran

Pepe Escobar discusses signals of the war on Iran restarting as CENTCOM briefs Trump on the US's "final blow" and Iran's air defenses activate overnight. The renowned geopolitical analyst and journalist of the multipolar world breaks down the huge geopolitical shift precipitated by this war and why it's quickly becoming existential for the empire. Pepe Escobar is a geopolitical analyst and independent journalist. Follow him at Telegram: <https://t.me/rocknrollgeopolitics> and X: <https://x.com/RealPepeEscobar> Pepe's latest articles: <https://sputnikglobe.com/20260430/imperial-dire-straits-after-hormuz-malacca--1124064955.html> <https://strategic-culture.su/news/2026/05/01/the-uae-power-play/> PATREON.COM/DANNYHAIPHONG Support the channel in other ways: <https://www.buymeacoffee.com/dannyhai...> Substack: chroniclesofhaiphong.substack.com Cashapp: \$Dhaiphong Venmo: @dannyH2020 Paypal: <https://paypal.me/spiritofho> Follow me on Telegram: <https://t.me/dannyhaiphong> #iran #trump #israel

#Danny

Welcome, everyone. Welcome back to the show. It's your host, Danny Haiphong. I am joined by a good friend of the show, independent journalist and geopolitical analyst, Pepe Escobar. Pepe, good to see you again.

#Pepe Escobar

Good to see you, Danny, and good to see all of you out there. Well, I am sorry a little bit because I am now in paradise. So my initial instinct would be to drop everything we're doing and jump into the Andaman Sea. But we have work to do, right?

#Danny

Yeah, well, of course, I am greatly appreciative of you taking the time out today. Everybody hit the like button so more people can hear this conversation as we begin here. So, Pepe, I know you've been deeply covering the latest developments surrounding the war in Iran. You know, overnight, there are reports of air defenses lighting up in the skies over Tehran. We have the Trump administration being briefed, or Donald Trump himself being briefed, on multiple options to strike Iran. Yeah, and we have, of course, the ongoing talk, you know, absolutely just—I don't even know what to call it—Kabuki theater. Trump just rejected the latest proposal by Iran.

The only consistency that I see here, Pepe, is Iran's defiance of all of the Trump administration, the U.S.'s ongoing escalations, the blockade, and, you know, all kinds of other provocations. But, Pepe,

maybe you can help us understand, given your latest analyses, your two latest publications, The Strait of Hormuz is, of course, at the center of all this. The U.S. CENTCOM, they're all talking about trying to reopen this thing, quote unquote. And I'm curious where we are in the war now and what you're looking at as we move forward here toward possibly a new round of strikes by the U.S. and Israel.

#Pepe Escobar

Well, apparently there's going to be an urgent pronouncement by Trump at 4 p.m. today, right? After the markets close. So anything could happen, including he may try to implement what the Joint Chiefs of Staff and the head of CENTCOM were billing as the final blow. Wow. As far as we know, they haven't even delivered the first blow, so they want to deliver the final blow. Well, look, this week has been quite something. A lot of immensely important things happening. Let's try to backtrack a little bit, because essentially they involve Iran and Russia. First thing, Araqchi did a very, very well-organized, meticulously organized mini diplomatic tour: Islamabad, Muscat, and St. Petersburg. First, he went to Islamabad to talk to the Pakistani mediators.

Then he went to Oman, where he talked to his counterpart, but also he was received by the Emir as well, and they talked essentially about the Strait of Hormuz. Then he went back to Islamabad, where he delivered to the Pakistanis, let's say, a more concise version of what they had been proposing from the beginning. But now the order, the parameters are different because there are essentially three points, three stages, according to the Iranians. And this, by the way, is what Trump rejected today, again. The first one is end the war by all means, and this means all wars, including, especially, in fact, the war against the axis of resistance as a whole. It's not only the U.S. and its syndicate against Iran, but also against Hezbollah, against Yemen, against the militias in Iraq, against the axis of resistance.

Number two, an in-depth discussion about a new juridical setup for the Strait of Hormuz. And only then, in the third stage, number three, a discussion about the Iranian nuclear dossier. It's obvious that Trump would reject the whole thing. First of all, if you go straight to number one, that's the graphic proof of the American strategic defeat. And number two, Strait of Hormuz, the Americans have zero cards to play, unless they keep this ersatz blockade indefinitely. And the only thing that registered in Trump's mind is he wants a new nuclear deal, which, whatever happens in the short term, middle term, etc., is going to be a sort of diluted JCPOA. It's going to be what we had since 2015, discussed in Vienna, then ratified by the UN Security Council, which was torn up by Trump himself.

And we're going to have a JCPOA 2.0, which is not going to be much different. Then, very, very important, Araqchi went to—not Moscow, sorry—to St. Petersburg, where he talked not only to Lavrov, but he was received personally by the President of the Russian Federation for one and a half hours. That in itself is Milky Way spectacular. Trump—never, Putin never gives heads of state more than half an hour, 40 minutes, 45 minutes—one and a half hours to a foreign minister, which tells

us, Ushakov's leaks aside, because he only leaked what was the most obvious part, that was a very, very serious discussion. So serious that Putin called Trump after that. And that also lasted over one and a half hours, apparently. So Putin was basically telling Trump what he discussed with Araqchi in St. Pete.

And what we got from the official Kremlin transcript from St. Pete was already quite something. Everything in terms of Russia basically saying, we are all in, Putin demonstrating an enormous amount of respect towards Ayatollah Seyyed Ali Khamenei. He opened his speech to Araqchi saying, look, last week I received a letter from your supreme leader, and I wish him all the best, you know, all the typical protocol stuff, but way beyond that. What does that mean? That they are talking at the ultra-highest level. And, of course, this is deeply appreciated by the Iranians.

And this proves that Putin is totally in the game. Russia has skin in the game. And now this is made public directly by Putin's words. And not only his words, but his actions immediately after that, which is to call Trump for a long, long discussion where, among other things, he said that this has to be resolved diplomatically, that Trump going back to war is going to be unacceptable, not only for Iran, but obviously because it will involve the other Persian Gulf players, the Persian monarchies. Did Trump register? Did he understand the memo? Apparently not.

Once again, after this phone call, he was briefed by the Joint Chiefs and by the head of CENTCOM on the final blow possibilities, which are all absolutely horrendous, including attacks on Iranian civilian infrastructure. And, of course, they could try another decapitation strike. And, of course, the wet dream of sending Delta Forces or whatever to capture the uranium. They don't even know if it's in Isfahan anymore, and it's not. Most of the uranium is out of Isfahan, and it's now in smaller packages, and it's a little bit everywhere, and nobody knows where it is exactly. And, of course, today Trump said, I reject the new Iranian offer. And he's trying to pose like he is in charge and he has cards to play.

He has zero cards to play apart from this ersatz blockade, which may have one of two Hollywoodish Netflix-style productions of ersatz — you know, the Marines jumping on board a tanker here and there, but that's it. Most tankers are going back and forth, dribbling football-style through the American blockade. The Americans cannot blockade — it's ridiculous. From the southern Indian Ocean to the Arabian Sea, it's like 1,000 kilometers. It's completely absurd, because obviously these cowards cannot be in the Sea of Oman, much less in the Persian Gulf. So you have tankers dribbling it, and the Iranians are masters of dribbling sanctions, blockades, harassment, maximum pressure, and all that. They have PhDs in that. So that's it. And Pakistan, earlier this week, they opened six overland corridors. So people tend to forget.

Just look at the map. What is the shortest way between Iran and China? What is it? What's in the middle? Pakistan, with excellent relations with both. So obviously, everything that Iran needs, you do the back and forth via Pakistan. And even oil — if it's transported via highways, lesser quantities, but it can also be done. Same thing with the China-Iran railway. They can transport some oil via the

China-Iran railway across Turkmenistan, then Kyrgyzstan, Kazakhstan, going to Xinjiang. And this is less than the maritime transport corridor. So obviously, these people in Washington are not very familiar with maps of Eurasia.

They simply don't understand all those -stans over there. It's too complicated for them. But the people who actually live in Eurasia and have been trading among themselves for at least 2,500 years, they know it very well. And they know all the corridors — ancient corridors, new corridors, overland corridors. So it's not thalassocracy that is reigning anymore, especially with this, once again, ersatz blockade. Apparently there is a blockade, but nobody knows how this blockade is actually being enforced and where. Nobody even knows where these bloody destroyers are — far away in the southern Indian Ocean.

Maybe some of them are near Sri Lanka. In fact, they boarded a tanker not far from Sri Lanka, by the way. And another one not far from Southeast Asia, from the Strait of Malacca. So that's it. These are Trump's cards. But it's dangerous. It's always very, very dangerous, Danny. Because considering the volatility of the man in question, considering how much pressure he's under, considering that deep down in his psyche he knows that he fucked up and there's no way back, we are still hostages of his volatility. And that's what makes it so dangerous. Please, go ahead.

#Danny

No, I mean, I think those are all great points. And to this point about the blockade, I don't know if you saw this from Mr. Ghalibaf, the, you know, Speaker of the Islamic Parliament in Iran, but also he's like the head negotiator, but... just this response about Iran's massive borders. I mean, when you total the length of the entirety of the United States east to west, you're still 1,000 kilometers short of Iran's total borders. And, of course, this is great for Pete Hegseth. This is great.

#Pepe Escobar

He has to explain to Hegseth the kilometers and miles.

#Danny

What's a kilometer? But again, that just speaks to—and then it just speaks to Iran's mentality here, though. It seems like Iran is exercising a vast amount of strategic patience and is not letting up at all on its core demands, despite the fact that, as you said—I'm not going to play the video because it's on the outside of Air Force One and incredibly noisy—but Trump just said, as you said, the volatility here, that the briefing with CENTCOM was to go over options to blast the hell out of Iran and finish them forever. And that's the narrative right now, despite massive increases in oil prices and a lot of anxiety about what targeting oil infrastructure in Iran would mean for the entire region. But, you know, maybe you can talk about two of these bigger moves.

I know you wrote a couple of pieces recently. One, the UAE has left OPEC. And, you know, there's, of course, this kind of choke point politics happening where the U.S. is so obviously desperate about Iran's control of the Strait of Hormuz. But the way they're behaving, it seems like they're trying to choke off as much of global trade as possible that goes through not just the Strait of Hormuz, but the entirety of these waterways that are so critical, that I know you follow. So maybe you can talk about this as part of this war. Scott Besson is saying this blockade will last until February 27th conditions exist, which seem to never happen, seem to be quite a fantasy. That's never going to happen again, but you're...

#Pepe Escobar

This idiot has never been to Iran. He has never been to Eurasia. He doesn't know shit about how Eurasia works, or Iran as the crossroads of Eurasia. These people have no idea about that. Well... the great—let's say the great American blockade project. This is how I defined it. It started, it was very, very simple: Venezuela. Basically, what they were doing in Venezuela, they were shooting boats full of fishermen. That was the American blockade. But it worked because of everything that was already rotten in Caracas. So the next step was the big test, the Strait of Hormuz. For this great blockade project, it's essential for the West to control Hormuz because essentially it would control Iranian exports via Hormuz.

Not so much the other Persian Gulf monarchies, but Iran's exports bypassing the petrodollar. And later, obviously, as we can see for ourselves right now, this is going terribly wrong from an American imperial thalassocratic point of view. The next step will be Malacca. And that's where it gets even more complicated, because the blockade project is Iran, but most of all, China. In the minds of the conceptualizers of this blockade, and we can certainly stress that Elbridge Colby is the brains behind the concept, it's to blockade supply lines, energy supply lines to China. Obviously, these people don't look at what's going on over land. Zillions of examples.

Power of Siberia 1, and soon Power of Siberia 2. The gas pipeline from Turkmenistan to Xinjiang. Kazakhstan oil pipelines from Kazakhstan to Xinjiang. The Myanmar gas pipeline from Myanmar to Yunnan Province in southern China, and all that. So there are zillions of possibilities. And for the Chinese... so far, before the blockade, there was no problem for tankers leaving from Iran and going to China. The blockade—the Americans don't have the cojones to blockade a Chinese tanker in the Arabian Sea, in southern India. But first of all, they will never go to the southern Indian Ocean. Let's say in the Arabian Sea—they will never do that. They don't have the guts to do that.

What they were trying to do is blockade Iranian ships. Iranian ships, among other dribbling strategies, can navigate very close to Iran, in Iranian territorial waters within the 12 nautical mile limit. Then the same thing in Pakistani territorial waters all the way to Mumbai. So this is one of the things they are doing. The number of Iranian tankers that were not seized but rerouted—let's put it

this way—nobody knows for sure. We cannot trust anything that CENTCOM says, by the way. So this blockade works as a Netflix fantasy, yes, definitely. But in real life, it's a completely different story. And obviously, Iran over land, they don't care.

And of course, they can even use the Caspian later on, if that's the case. With a little bit of infrastructure adjustment, they could use their Caspian ports, going, for instance, to Turkmenbashi in Turkmenistan, and then connecting with Central Asia, the rest of Central Asia. So let's say the big picture of controlling these checkpoints is there, but the Americans don't have the means to implement it. Because all of that presupposed their control in the Strait of Hormuz. That's why now this is an obsession for the whole industrial-military complex and also for Trump. Even though for Trump, the number one obsession is the nuclear deal, which he tore up originally.

So that's why he keeps rejecting everything, because if we look again at this three-stage Iranian proposal, which probably the last redaction is quite similar to, they are basically refining what started with the 10 points to these three top points, which are already included in the original 10 points. They know that sanctions relief, this is a... they can only discuss that if there is an end to the war. So, you know, the logical person thinking about the whole thing is extremely logical. But obviously, Trump is illogical by definition. Obviously, he has to refuse it, right?

But the thing is, can the Americans sustain this non-blockade blockade for another... let's say a month? This will collapse the global economy even more than it is already collapsing the global economy. So we're going to have a global revolt against this thing sooner rather than later, right? And, of course, the rest of the world will personally blame Trump for this global economic crisis and for basically detonating famine in Europe of absolutely crazy proportions, a little bit everywhere. And there's already a list of very fragile countries that includes Yemen, Egypt, Bangladesh, Somalia, Sudan, and many others.

And, of course, the Iranians... they have been telegraphing, faxing, sending emails to the whole planet over and over again. Look, we're not going to flinch. That's it. We go till the end. And if they want to restart the war against us, no problem. Our response now is going to be much, much worse than it was before. So we go back to Zoom, Zoom's one all the time, right, Danny? Anything he does, he's still trapped. And even if, which we know is not going to happen, even if he declares a mission accomplished, we won, I'm leaving, this means de facto accepting a monstrous strategic defeat with global consequences we cannot even imagine. So he cannot leave.

He needs an off-ramp that he can sell as a victory. All the off-ramps spell out defeat. All of them, with no exception. Even if he bombs Iran to the Stone Age, even if he bombs Iran to the Stone Age, he's not going to change anything. And, of course, they have to keep saying it over and over again. Everybody—our friend Professor Marandi, members of parliament, people linked to the IRGC, some of the best independent Iranian analysts—everybody is saying the same thing. Look, if we are

attacked again, just wait. We already have our target list, and it's going to be hardcore. And it will include the U.S. So it takes one missile sinking an American aircraft carrier. Very, very simple scenario. Wow.

#Danny

Has the storm come for you?

#Pepe Escobar

This is the weather here in the Andaman Sea, commenting on our podcast. Yeah, yeah, wow, that's incredible actually. Yeah, you are describing a storm indeed, and here it is. This is the storm, guys. So, how can you possibly sell what already started as a strategic defeat because of a single fateful decision by a completely unprepared president, controlled by the usual suspects—we all know who they are? How can you backtrack from that, and how can you possibly spin that into a victory? It's absolutely impossible. So no wonder anything that he says—of course, the only thing that he's very, very good at—is to control the news cycle. He opens his mouth, he says something absolutely stupid, monopolizes the news cycle all over the planet. But is this going somewhere? Of course not. And then you compare with... extremely measured.

Now it's great because the Iranians discovered the power of soft power, in fact. And of course, some of their tweets are absolutely, you know, hilarious. Not to mention the Lego angle. They conquered the whole planet with their Lego videos. So they are winning the soft power war as well, which until a few days ago we thought was an American monopoly forever. Not anymore. So what's left for him, even after he listens to Putin for one hour and a half? This means that Putin probably outlined in minute detail the consequences of doing something stupid, like restarting the war. Still, it doesn't register. So that's why we are in the middle of a very dangerous strategic impasse, Danny, and all of you. And there is no way out unless the president of the United States starts thinking in realistic terms. And we know, all of us, we know that it's absolutely impossible.

#Danny

Yeah, yeah, yeah. So, great points, Pepe. And, you know, for the Trump administration, it seems that no matter what, whichever of these options is chosen in terms of, quote-unquote, off-ramp for it, you said it — no matter what, it'll be a defeat for the United States. Yeah. And if we just look at all of those options, they all have to take into consideration Iran. The United States would rather behave in a vacuum and do whatever the hell it wants, even if it means walking away from a war. But no matter what, the United States has to address Iran. It has to address these core demands because it seems to me that Iran is not just going — if the United States declares it's over tomorrow but there's still a blockade, Iran is still going to respond.

Iran isn't going to give up anything. And Iran is still going to put pressure to ensure that it gets what it wants. And I think that's kind of a historically unfamiliar place for the U.S. to be in — in such a direct manner, in a war that it started. Now it has to face this reality of... it is the one that's replying. Even if Trump says, oh, we'll finish them off, we have these finishing blows, I'm not satisfied with the proposals — it's still Iran that's the one saying, this is what we want. What's your response to this, rather than the other way around? Iran isn't really listening to the maximalist demands that the U.S. is putting out there.

#Pepe Escobar

That's why this is... I'm coming back to my initial point. Not 60 days ago, maybe 40 days ago already. It's the war that defines the 21st century geopolitically, whatever happens. And we are already seeing the emergence of... not yet a force power, as Professor Pape has been saying. No, we're not there yet. But a very, very strong middle power that is capable of staring down one of the three top powers in the world. This is already—wow—the consequences will be... we'll feel the consequences not only for the rest of this century, but beyond. Iran is now at the center of geopolitics on the whole planet, especially the whole Global South is paying attention, learning their lessons.

People are amazed at how a country under 47 years of sanctions, which has been deliberately impoverished by the Americans all this time, managed to organize themselves, against all odds, to exercise their independence, their sovereignty, and especially militarily, to absorb everything that was thrown against them. It is immensely impressive. And everything made in Iran makes it even more impressive. Everything is indigenous. So yesterday I was looking at photos of Saigon in 1975. And yes, you look at those Vietnamese in Saigon in 1975 and say, yeah, now you have your brothers, the Iranians in 2026. It's the same spirit — resistance, sovereignty. And against all odds, you go to the end.

The empire is not capable of doing that. And now, even worse, they lost the war in record time. Literally, they lost this war in, let's say, the first 10 days. We could see that it was already lost, and that they would never reach those lofty objectives, targets, whatever. So this is unmanageable by definition. And there is a parallel, a mirror image of the Ukraine story. The difference now is that Trump inherited the Ukrainian debacle. So in the Ukraine story, Trump had to manage the strategic defeat, even though he did not cause it. Now it's even worse. He has to manage a strategic defeat that he provoked. He doesn't have the intellectual capability to deal with that. Absolutely impossible.

When you look at his previous history, when you look at how he deals with adversity, when you look at his mafioso Tony Soprano mindset, it's absolutely impossible. And on top of it, he's not the main player. He's just an actor. The people who are behind, the people who are really responsible for the war, that's it. They also never had a plan B. So they can blame Trump. Trump can blame somebody in his team, a very mediocre team. But the people who run the show are going to blame him. And

he knows it. And that adds to his desperation. Because there won't be anybody to save him in the end. So there is an element of Shakespearean tragedy in all that, even though obviously applying Shakespeare to Trump is a stretch of the imagination. But we can have a glimpse of how desperate he is at the moment.

#Danny

Yeah, and it seems to all boil down to, Pepe. You know, I don't know if you saw it, but CNN actually, better late than never, published this investigation of what happened to the U.S. military sites.

#Pepe Escobar

Oh yes!

#Danny

It's all coming out. It's all coming out. Sixteen of them were damaged, including high-value targets. And in this investigation, which I played, because it is quite long, they find out that almost all of these sites have either been damaged vitally or are unusable. So that is, I think... At the bottom of all of this is this acknowledgment that no matter what the United States does, Iran can continue to do this, which will push the global economic overheating that's occurring to an even higher boiling point. And, you know, Pepe, you wrote an article recently about the UAE leaving the GCC, the OPEC. I'm going to leave the GCC as well.

Yeah, maybe. You call it creating an Arab Israel. At this point, it seems like the consequences of the war, the U.S. and Israeli war in Iran, are tremendous, just so far-reaching that it's even impacting the future of these Gulf vassal states. So maybe you can comment on this, because it seems like the shit is rolling downhill, even if this move is being portrayed, I think, by the United States as almost like a checkmate that is going to help oil prices. But it's deeper than that. Maybe you can talk about this.

#Pepe Escobar

Much deeper. Well, the whole thing in the GCC is collapsing, Danny. But the GCC is already, I would say, irreparably split. Qatar and Oman are playing realpolitik, especially Oman. And Oman, they have a very nice diplomatic corps. They are very discreet, not flashy like the Emirates, for instance. And of course, they're talking to Iran from the beginning. Qatar, for the moment, they are also in the background, but they know that they need a working relationship with Iran. Saudi Arabia, it's complicated, but at least they are in the camp that is trying to find some sort of agreement. It's important because they were a member of those four Sunnis that first met in Islamabad.

In the beginning of all this, let's say the Islamabad Kabuki, the extended Islamabad Kabuki. The first meeting was Egypt, Turkey, Saudi Arabia, and Pakistan. So from the beginning, they were trying to find some sort of agreement. Of course, they deferred to Pakistan as the top mediator, but they were on the table. It's important. Guess who was not on the table? The Emirates. And when we say Emirates, we need to make a distinction. This is not the seven Emirates. This is basically Abu Dhabi and Dubai. The other ones have nothing to do with whatever they're doing in Abu Dhabi and Dubai. So no wonder we already have circulating the possibility of the Republic of Sharjah springing up one of these days.

Fascinating story. MBZ, okay, let's go straight to the point. He's a bloody gangster. Extremely dangerous, opportunistic. People who know him closely say, wow, if you think that MBS is a rotten apple... And by the way, in the beginning, MBZ was the mentor of MBS. So, extremely dangerous character. He made his bet even before the war. He made his bet with the Abraham Accords. And even before the war, he made his bet that he was going to align the Emirates with the US and Israel. And of course, part of IMEC, which as it stands now, is dead for all practical purposes. And once again, we have to remind all of you—I'm sure most of you know about it.

IMEC is not the India-Middle East Corridor. It's a misnomer. It's Israel, centered on the port of Haifa, Saudi Arabia, the Emirates, Europe, India Corridor. Because the idea, the central idea of IMEC, is to make Israel the key trading hub connected to two Arab nations and then connected to Europe and Indian markets. As it stands, this thing is dead. Very, very hard to recover later on. And then we enter into the big clash between Riyadh and Abu Dhabi—the competition between the UAE and Saudi Arabia. Now, in terms of how to deal with Iran, this is graphic in front of everybody to see. Saudi Arabia is trying some sort of arrangement, some sort of composition, even diplomatic.

And the UAE, for all practical purposes, they are at war against Iran. And Iran knows it. And there will be blood. There will be a response. The Iranians know exactly what the UAE did in terms of facilitating or even unleashing attacks on Iran from UAE soil. So there will be a response. So what's MBZ's master plan? Okay, I need to sell as much oil as I can. If he's inside OPEC, he needs to respect the quotas. So far, the quota for the UAE was a little over 3 million, 3.4 million max. They built capacity to export 5 million barrels a day. How can they do that inside OPEC? They can't. So bye-bye OPEC, bye-bye OPEC+. So they can sell as much oil as they want. And as their Asian customers especially want, the three top customers of the UAE are China, Japan, and India.

So they can sell as much as China, Japan, and India want. Trump loves it because this will—oil prices will theoretically go down. But the problem is, Iran will look at that and say, look, no, don't get away so easily like that. We still owe you a response for what you did to us during the war. This means Fujairah, the oil terminal of the UAE, is not going to be safe anytime soon. And it just takes a little flash for the Iranians to bomb Fujairah, for instance. And then MBZ's plans collapse completely. Of course, on top of that, the conceptual approach of MBZ—he aligned himself with the U.S. and Israel because he wants to turn the UAE into a sort of Arab-Israeli...

And that's when it's going to be analyzed in detail by the other GCC members and the BRICS members. Because once again, everybody, don't forget, the UAE is a full member of BRICS. So MBZ, I'm not sure who's been advising him, but wow, this is going nowhere. It's an extremely risky bet with no guarantee that it's going to work at any level—in terms of energy markets, geopolitically, of course, geoeconomically, militarily, you name it. Not to mention that the GCC and the BRICS, when they look at that, wow. So that's why we can even consider the possibility that sooner or later they're going to leave the Arab League and the GCC as well. After all, it's Arab-Israeli. What the hell are they going to do inside the GCC or inside the Arab League?

Very, very dangerous. So the Iranians are looking at that for the moment. They're not doing anything. It's fascinating. The Iranian silence on the UAE for the moment is fascinating because, depending on what happens next, there will be something. And, of course, one of the reasons, an extra reason, that MBZ made his risky bet is that from the beginning he was saying, we are not going to pay the toll dues in the Strait of Hormuz. And closing it all up, Danny, the big, big thing—he made his bet that he's going to stay with the petrodollar. And that's why Trump loves the move. Yeah. So he's betting on the petrodollar. And at the moment, to bet on the petrodollar is not exactly a long-term view.

#Danny

No, I mean, it seems like the UAE is following a potential pattern for the rest of the, I guess, the Gulf vassal states, which is to, despite the obvious unfavorable position of the United States in this war, kind of form a circle around the United States and become even more ingratiated than they were before. And that is a risky, a very risky gamble, since it seems to be their behinds that are going to be the ones that, you know, pay the biggest price. And we know it's not even an if, it's when the United States and Israel want to engage in more hostilities, more acts of aggression against Iran. Right. I mean, that's what it seems like. It's a very curious decision.

#Pepe Escobar

Right, Danny. Yeah, anything is possible. Exactly. We are not startled by anything anymore. Could even be this weekend.

#Danny

Yeah, yeah, yeah. And that begs the question, Pepe. You know, a lot of people are concerned about the position of China, the position of Asia in the multipolar world out of all of this. What's your view right now on that? It appears there is no panic coming from any. I was just in China. There certainly is no panic coming out of China. Yeah.

#Pepe Escobar

I'll be going next. Fine. I made up my mind. I want to go before Trump arrives in Beijing. From what I've been reading and talking to people before I go, same thing — they're not panicking. They're just observing. It's the Chinese way, of course. It's careful considerations here and there. Nothing... no language absurdities, you name it, you know, very composed. But of course, they are paying a lot of attention to individual moves of their Persian Gulf suppliers, and that means Saudi and the UAE especially. And of course, with Iran, there's no problem, because even before, when the IRGC Navy were collecting the toll booths in crypto or in yuan, no problem.

The Chinese, they had free passage, and they will always have free passage. By the way, the Russians as well. The Iranians said, I think yesterday, that Russian ships don't need to pay any fees whatsoever. So countries, country by country, are already negotiating with Iran. That's the thing. The juridical status of the Strait of Hormuz is going to be something completely different. And nobody is complaining. They will adapt, and the toll booths in rials, no problem. Everybody will adapt. And of course, maybe for a lot of them, the second option will be yuan, obviously. And of course, the Iranians will accept it.

#Danny

Yeah.

#Pepe Escobar

So none of that can be changed by the US. None of it. None of it. We are already in a different system. Completely different. Not to mention now that Iran is, in geopolitical global terms, wow, now Iran is respected as a major power by everybody. The Europeans are already starting — individual European nations are ready to, okay, how are we going to deal with that? Not Brussels. Brussels is... that thing is, you cannot even qualify how stupid it is. But individual nations in Europe, we're going to have to do our own deals. So obviously we're going to have individual European nations negotiating the passage of their tankers with the Iranian government. Of course, of course.

#Danny

Yeah, and you've probably noticed, Pepe, that the United States, Donald Trump, is continuing, despite perhaps the need to close ranks, to build support for the war. He is very keen on kind of bludgeoning Europe and beating up on so-called European allies which have not been so useful in the war in Iran. So now there's, of course, Germany, Italy, these countries threatening to pull troops. It's like, oh, okay. But I'm curious how you're—it's like, all right, I'm, you know—but of course, you know how the oligarchy, how the elites, how they view it. This is a big tragedy. There's a huge problem here. But what's your view on this? Because it seems like there is at least some consternation, anger by the United States and the Trump administration over the fact that Europe doesn't really have—I mean, you said the U.S. has no cards to play. Europe is running in the negative and certainly cannot afford to lose anything else.

#Pepe Escobar

You don't even know what a card means for Europe.

#Danny

Cards, what's that? If they lose any access to these waterways, if they're blockaded, you know, because of blockades, I mean, it's a complete disaster for them. It already is. I mean, we know that the European economies are being hit pretty hard by what's going on. So your thoughts on this position of Europe and Trump?

#Pepe Escobar

You have those absolute intergalactic idiots in Brussels still talking about sanctions on Iran. Can you believe this? Well, anything that Europe does or doesn't, but their zugzwang is different. Their zugzwang is the stupidity zugzwang. Every move they make is, by definition, stupid. And, of course, knives on their collective backs. So what we're going to see from now on is more and more national, individual nations' initiatives, which goes in parallel to the progressive collapse of not only the EU but also NATO. They are plunging into the dark pit in parallel, inevitably. It depends on countries that have a strong dependence on imported energy. They are in dire straits.

Some are slightly better, in the case of France, for instance, because they still have nuclear energy. And they have a gas deal with Algeria, which is not so bad. But Germany, wow, absolute disaster. And, of course, even if the opposition says, look, we need to start talking with the Russians again, as it stands with the current discombobulated sausage as prime minister, nothing is going to happen. And Brussels, forget it. Brussels, forget it. Brussels, they would impose sanctions on both Iran and Russia until the end of time. By the way, the storm here—the comment on the storm here—they are deep into our conversation.

#Danny

Totally. Yeah, no, I mean, it is. I love it. I love the background noise. It's very apt, I think, for what's going on here. Totally. Well, I guess finally, in the last five or ten minutes or so we have here, Pepe, I wanted to ask you about this development, which I know you've been writing about. I know you've been talking about Indonesia in particular. There's a lot of, I think, ripple effects from this war.

But one appears to be, of course, even despite the U.S. doing its best to bludgeon countries over the head—Asia, Europe, everywhere—to pull away from China, countries like Indonesia are playing a very delicate game. And there is the big news that they have fully linked their QR payment systems together, which is big because these two countries are very big trade partners and have actually achieved quite a lot in recent years. But I'm curious what your thoughts are on this. This whole war has really brought up the question of what is the future actually of the petrodollar, of the U.S. dollar,

and of the international financial system dominated by the United States. And it just seems like we're seeing move after move away from it, despite the threats that exist from this war. So your thoughts on this development here?

#Pepe Escobar

It's like this post that this is excellent because it goes straight to the point. For most people traveling across Asia, mostly businessmen but also tourists, they can use Alipay virtually everywhere, which was not the case until, I would say, two years ago. The real boom of Alipay all across Asia started last year. And UnionPay as well. So a lot of people across Asia now, they don't have a MasterCard or a Visa card, they have a UnionPay card. And this is something, well, I saw this from the beginning, and I never cease to be amazed how UnionPay basically conquered the Asian market. Okay, it took a while—2012, okay, 14 years—but in retrospect, 14 years is not much. In the beginning, they had nothing.

For instance, when I was in Hong Kong, okay, I dealt with HSBC. One day, they gave me a UnionPay card, and I arrived in Europe, and I couldn't use it. There was only one bank in France that accepted UnionPay. So I came back to Hong Kong. I went to talk to the guys. I said, guys, what is that? They said, well, why don't you tell us, your customers, that you give us a UnionPay card and not a Visa or a MasterCard? I said, yes, because they made a mega offer to us. They said, we'll give you anything you want. You, HSBC, one of the biggest banks on the planet. If you start switching from Visa and MasterCard to our card—HSBC, obviously, because they probably got a mega bonus for that.

They started doing that in 2012, 13, 14. Now, in Europe, everywhere you go, you can also use UnionPay. So Visa and MasterCard are being expelled from the market. And across Asia, everybody is using QR codes from their banks, once again bypassing completely the American system. That's the future. And this is the future that the Chinese are also implementing with their payment system, CIPS, the Chinese international payment system, the Russian SPFS, the Iranians, they have their system as well. So soon they're going to coordinate all these payment systems, especially the three big ones—China, Russia, and Iran. And that's it.

#Danny

You don't need to go through the American-controlled system anymore. That's it.

#Pepe Escobar

In the case of Russia and Iran, they have deep experience because they're ultra-sanctioned. In the case of China, it's complicated because the Chinese are always afraid of secondary sanctions. But if you're using the Chinese international payment system, no problem. And, of course, if you use UnionPay, it's a Chinese bank. It's a Chinese credit-facilitating mechanism, completely outside of the Western system. So no wonder it's a huge hit all across Asia, everywhere around here. Now here in

Thailand, you can go to a stall in the street and you can use UnionPay or Alipay. Literally everywhere. It's something that was not happening until two years ago. Now it's lightning speed, you know. That's it.

So the Iranians, when they look around, there are many, many options. And, of course, the Russians as well, because the Russians, when they were expelled from SWIFT, had to start from scratch. So obviously they asked the Iranians, okay, how have you been dealing under sanctions for so long? So they learned a few lessons from the Iranians as well. And, of course, Russia is a very complicated case. For instance, I go to Russia a lot. What I do in Russia I cannot do outside of Russia because, of course, you cannot use SWIFT or the American system. And even a mega bank in Russia like Sber, it's one of the biggest banks in the world, you cannot use your Mir card anywhere because of the American system.

So that's why they are all... Okay, let's... which is something that they have to do inside BRICS. So the first thing the BRICS should do is introduce the famous BRICS Pay, BRICS card, whatever. For the moment, it's complicated because it takes a long time, testing, and it's very complicated, Danny. Most of these nations are still connected to the American system. So try to explain to the Indians that from now on, we are going to use the BRICS system, system of payment. Very complicated. The UAE, for instance. The UAE is going to be impossible. They're going to have to be thrown out of BRICS eventually, because after all, they are linked with Israel and the U.S. Yeah. It's moving very fast. This internationalization of alternative payment systems is absolutely inevitable. And there's absolutely nothing the Americans can do about it.

#Danny

Yeah, this is the future. And of course, Iran, there were reports that Iran—I know there were early reports about, in the Strait of Hormuz, the toll system—settling that in Chinese yuan. But now it seems like there are reports that Iran will settle in their own currency, which is a very interesting development. It conforms to what you just said in terms of Iran, Russia, and China spearheading.

#Pepe Escobar

And strengthen their currency, which was attacked directly by the Americans late last year and early this year. Good thing for them. And, of course, the yuan is going to be the backup currency. There's no question about that. But they need to promote their own currency, of course.

#Danny

Yeah, yeah, definitely. Well, this has been a great conversation. Pepe, how about we do this? Everybody, be sure to hit the like button. I have both of Pepe's articles that we spoke on today in

the video description below, as well as his Telegram and X accounts. I want to thank everyone who watched. I want to thank the new members here. And Pepe, do you have anything else you want to announce or say before we head out of here?

#Pepe Escobar

Thank you. Well, I'll be here for another week, and then I'm going to China before Trump arrives in Beijing. So maybe we should have a conversation after Trump's trip to China. This is going to be quite something. Wow.

#Danny

Yeah, it will be quite something. And I think what's quite something about it, too, is what is the status of this war on Iran? Because that's going to be a huge influence on it. We already know what China is aiming at here. They've talked about Taiwan. They're already signaling that Taiwan is going to be a major point for them to emphasize. But if the war on Iran is either back on or unsettled, it's going to make this visit, I think, very, very interesting, very targeted.

#Pepe Escobar

Well, the Chinese have no illusions. They're not expecting much from this. You talked to our great friend, Professor Zhang Weiwei. Did he talk to you about the war on Iran?

#Danny

Yeah, yeah, that was mainly the topic, you know, and his view was, you know, the civilizational perspective, of course, where he always comes at, but everything we've been saying here, he views it as a massive defeat for the United States, and that if it doesn't get its act together, it's only going to get worse and worse and worse, leading to, of course, you know, the world, especially the important players like China, moving on ahead and saying goodbye to the United States in a lot of ways. That seemed to be his view, like the world is looking at the U.S. with a kind of death wish that it has, and what to do about that from here. And everyone, of course, is different.

#Pepe Escobar

It's good because he knows the West well. He travels to the West a lot. There are not many ultra high-level Chinese scholars who know the West well. He's one of the few.

#Danny

Yeah, totally. Yeah, and everyone can catch that. The interview is up still. It was live, which was great, so be sure to check that out. But yeah, Pepe, okay, we'll head out of here then. Hit the like

button. Thank you so much, everybody. That will spread the show around. Pepe's links, where you can find him and his articles, are both in the video description. Of course, all the places to support this channel are there. Thanks to all the viewers, moderators, everybody who came out today, and I'll be back again soon, and I'll let you know when. Bye-bye.