

# Pepe Escobar: Hormuz on Edge: Rial Rules, Reparations & Rising Tensions

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## #Nima

Let me ask you, you are an Iranian negotiator. You get a written assurance from the United States government that they're not going to launch another war against you or against the Axis of Resistance, for that matter. Can you trust them?

## #Pepe

No way you can trust them. No way.

## #Nima

It's impossible.

## #Pepe

Yeah. Nobody seems to care about whatever document the Trump administration would sign at the end of this, you know, sort of conflict. But they know that this war is going to continue, in my opinion. And in some way, you know, you may mention that Donald Trump himself said that Operation Epic Fury is over. But in what sense is that over?

## #Nima

In what sense?

## #Pepe

It doesn't mean anything, in my opinion, because the war—I don't see the United States lifting the sanctions. I literally don't see that happening. They may release some frozen Iranian assets. That could happen, but that doesn't change the game. That doesn't change the face of the conflict. Just remember, Pepe, before the United States announced two weeks of ceasefire, they did an operation

in the southern part of Isfahan. They wanted to exhaust each and every opportunity they have to do something against Iran. Right before this new phase of the conflict, of the war, in my opinion, Donald Trump announced two days ago—not last night, the night before—he said that we are doing something like Operation Freedom.

Let's go and open up the Strait of Hormuz. Not only Operation Freedom, but together with the sanctions they tried to impose on China, on Chinese refineries, they said that if they want to work with Iranians, there are going to be other sanctions—Chinese, American sanctions. Then what happened? What was the response from China? China said, you're going to sanction them? We're going to support them. You can work with Iran, and we're going to support you against the United States. This is the game. You know, they're trying to do their best to put pressure on Iran, but it doesn't seem that they're getting to the point of understanding that Iran is totally prepared, in my opinion, for a major war.

As we talked today, they're preparing for a major war with the United States, the third round of the war. And this is the problem. You don't see any sort of consistency in the Trump administration. That's why it's so difficult to deal with this sort of situation they're dealing with right now—the Iranians, I'm talking about. And I don't see this war coming to an end. I don't see Donald Trump being able to do something. You know, this one-page memorandum, a memo they're talking about—what does it mean? This is just simply nothing. It could be the framework, as you mentioned, but who's going to negotiate on this framework? I don't see the capabilities in the Trump administration. I don't see anybody serious in negotiation. And that's the problem.

That's a huge sort of, you know, difficulty that not only Iran, but I would say Russia is experiencing with the Trump administration. And how do you see it, Pepe, when it comes to China? China seems to me that since the war in Ukraine started, they're getting closer to Russia and Iran. You remember during the first year of the war in Ukraine, many people were arguing that China would sell Russia for Taiwan, and they were going to make some sort of deal with the United States on Taiwan. That didn't happen. And right now, maybe somehow some people are arguing the same thing—that Donald Trump is going to go to China, he's going to make a deal on Taiwan, and China would cooperate with the United States against Iran. What is your understanding of that?

## **#Nima**

Oh, no, absolutely not. There won't be any deals involving Taiwan or otherwise. Basically, once again, as we know, he has less than zero cards in his hand. For the Chinese, this is protocol. The first summit had to be postponed. If they could, they would postpone this one because there's nothing substantive to talk about. So, okay, it's there, it's in the protocol. Okay, we do it and we get rid of it because they know there won't be any breakthrough. And, of course, on top of it, they cannot trust anything coming from Trump. And third, they know that the overall strategy—and this

goes way beyond Trump, this is in the national security strategy—is the forever war against China, by all means necessary: encirclement, containment, harassment, you name it. And this is not going to change. So they're going to keep following everything that they deliberated for the five-year plan.

In the technological race, they are at full speed ahead. In terms of sanctions, they don't care about sanctions anymore, which was the case with this response when the Americans were targeting their oil refineries. Basically, the Chinese said, under Chinese law, that's it. These companies have to follow Chinese law, and what you're doing is illegal. So bye-bye. And from now on, this is going to be in other sectors of the economy. So the Chinese are not playing defense anymore. They are reacting immediately afterwards in an offensive manner. So that changes completely what the Americans had so far—these levers of pressure. Like it started last year, in April last year, when there was that volley of sanctions against the Chinese, you could see that the Chinese response already a year ago was very different.

They resisted from the start. And now they are not only resisting, but there are counterpunches, which is the case with the oil refineries. So that's it. So what sort of leverage does Trump have to pressure China? Not much. And now, if he is serious about finding—we don't know if he's serious or not—he doesn't know what he wants with the whole Iranian horrible adventure. Who's paying the price for all that? The global economy. Especially very fragile nations, which are probably going to be facing famine in a few months, certainly in the second semester. So this means there's got to be some sort of resolution in the next few weeks. Otherwise, the spiral downwards of the global economy is going to be even more horrible than what is being predicted at the moment.

And, of course, his domestic situation is catastrophic. It's the only thing he thinks about. He is condemned to be a lame-duck president. And anything can happen. When you become a lame-duck president, you're easy prey for everything. It could be anything—a destitution, impeachment, sending him to jail, whatever. Everything will be open. And not only him, but his cronies as well. Because this is a mafioso system with lots of grifters profiting from it, starting with his son-in-law, who is probably the grifter-in-chief. And guess what, Nima? He himself—Kushner himself—appointed the new negotiator of the Trump team. And guess what? The guy's an IDF, a Zionist asset. He's going to, in theory, be an advisor to Witkoff. It's a joke.

## **#Pepe**

It's a joke.

## **#Nima**

How can you possibly take these people seriously?

## **#Pepe**

Yeah.

## **#Nima**

And the Iranians said over and over again, we're not going to the same table with these two idiots. That's it. The only one that they would possibly talk to is Vance. And Vance, for the moment, is out of the picture. Maybe he'll come back later. But that's it. There's nobody to negotiate with. And of course, theoretically, the United States has a Secretary of State, who, by the way, today was saying something astonishing. He said that basically we're trying to get the situation, including the Strait of Hormuz, back to where it was.

## **#Pepe**

He actually said that.

## **#Nima**

Does this guy have an IQ of what? 10? 12? Maybe? He is confessing a strategic defeat in front of the whole planet, and he still doesn't understand that. Unbelievable. You provoked this whole thing. Go back to where it was. Obviously, if you hadn't done this war, spent zillions of dollars, destroyed a great deal of the Iranian infrastructure, now destroying the infrastructure of the global economy, none of that would have happened. So it's your fault. So it's going to be very hard, Nima. You're right. It's going to be practically impossible. Who are the Iranians negotiating with in the next round, if there is a next round?

And on top of it, they're going to have this backup, this diplomatic backup of both Russia and China. The Russians are now deeply implicated in the whole thing. And if Trump really wants to find an off-ramp for himself, he's going to have to listen to the Russians. And the Russians can force Trump to back off in many aspects. But that's it. Now, far from being alone, Iran is supported by two superpowers. That's a completely different ballgame. And the Trump administration is supported by virtually nobody, even the vassals. Europe doesn't exist. Political suicide. And obviously, in the Persian Gulf, the only ones are the UAE. That's why the UAE question from now on is going to be the burning question in the Persian Gulf.

We know that the GCC is already split. We know that Saudi Arabia is playing a very clever game. Saudi Arabia, theoretically, is part of trying to find a solution. Today, they actually called the Saudi Arabian foreign minister, so they are talking. Do they talk to the UAE foreign minister? No, because they are at war against Iran. So the UAE is the burning question. The Arab-Israelis in the UAE, if they don't get their act together, they can be smashed in the near future and destroyed easily. But that's very, very dangerous. Across the waters from the Persian Gulf, the Iranians look over there and say, we have to take care of these people. Very, very dangerous.

## **#Pepe**

And it's a mafia state as well.

## **#Nima**

That's why they get along with Trump so well. That's why MBZ gets along with Trump so well, because it's a mini-monarchy mafia setup.

## **#Pepe**

And the day, Pepe, I think the day that the United Arab Emirates decides to do something against Iran, that would be the end of the United Arab Emirates. And nobody would care about it.

## **#Nima**

And nobody would. Nobody, even the Arabs. The Arabs won't care about them, not to mention the rest of the Global South.

## **#Pepe**

Mm-hmm. Because, you know, we have Israeli forces in the United Arab Emirates. We have American forces. They're doing a lot in this country. And, you know, they don't understand they're living in a house of glass. And it's such a fragile situation they're in. They don't understand that.

## **#Nima**

They don't understand it. They definitely don't understand it. And they are arrogant, right? Very unilateral, because, as you know, there's only one deciding individual — that's MBZ and nobody else. It's a one-man rule for all practical purposes, and, of course, the family around. It's a hardcore dictatorship, a monarchic dictatorship, based on slave labor on top of it, selling a fiction to the whole planet. And obviously, people gullible enough, they bought into the Dubai dream, which from the beginning was an enormous fiction. The Dubai business model has already collapsed. So what they have left is Abu Dhabi and selling oil, which they were dreaming of selling — 5 million barrels a day — using especially Fujairah, right? But if there is a resumption of the war, which is still quite possible, let's say from 1 to 10, the possibility is probably around 9.

## **#Pepe**

Exactly.

## **#Nima**

You would say that, right? Around 9. There may be a resumption of the war. Perhaps not now, but eventually, yes. And if Iran establishes, like they established before, in this past war, until this is fired at least, that the UAE is part of it, that's it. It's bye-bye, UAE.

## **#Pepe**

Pepe, the spokesman of the Iranian Parliament's National Security and Foreign Policy Committee, said that what Axios reported in terms of the talks being agreed between Iran and the United States is a wish list, not a reality.

## **#Nima**

It's the wish list. Yes, it is a wish list from the American point of view, certainly. From the Iranian point of view, everybody knows the main Iranian points. And also, most people know that the Americans will refute them. They will never accept them. So once again, probably there's only one person in the outer galaxies who could bridge the gap — Vladimir Putin. There's nobody else. It's not going to be Xi Jinping. The Chinese will never get their hands dirty with this thing. First of all, because they would refuse to discuss Iran with Trump. The Russians are different because Putin has this, I would say, global transit apart from Europe. Putin can talk to anybody all over the planet apart from the Europeans and is influential. And, of course, Trump listens to him.

He's one of the very few. So apart from that, there's no possible solution for this creeping dementia. And it's a president on the way to dementia, surrounded by absolute idiots who not only don't understand Iran, they don't understand West Asia, they don't understand Eurasia, they don't understand the multipolar world, and they don't understand how fragile the super, super, superpower is. There's this classic imperial mix of arrogance and ignorance. And in their case now, when you look at the Secretary of Forever Wars, it's a mix of nastiness and stupidity. And none of us could ever imagine that nastiness would be so stupid and stupidity would be so nasty. Just look at the Secretary of Forever Wars. He's the personal incarnation of this syndrome. So the war will be back, Nima. What is your take? After Trump, Xi Jinping?

## **#Pepe**

I would say many people in Iran are talking about it happening before Donald Trump goes there.

## **#Nima**

And their argument is that this weekend, then.

## **#Pepe**

Yeah, exactly. Because they're thinking that this weekend is the initiation of the war. I don't know if that will happen. Many people are somehow expecting it to happen.

## **#Nima**

There's no meeting next week. The Chinese are going to cancel it, obviously.

## **#Pepe**

Yeah. If they start it, that would be the cancellation somehow of the meeting. And I think today, as we talk, Araghchi is talking with China because nobody believes the Trump administration anymore. Today they say something, and then in two hours, in two minutes, they're going to change the whole game.

## **#Nima**

Because they have no strategy, Nima, as we all know. They improvise, and then they improvise on the previous improvisation, and then they even forget what they improvised. There's zero strategy in everything. The only thing that probably registers in Trump's mind is that he needs an off-ramp. He's in the middle of a monster jam, and he cannot find a way out.

## **#Pepe**

He desperately needs that, but we know that Iran is not going to give it to him. Iran has no interest in helping Donald Trump.

## **#Nima**

On the contrary.

## **#Pepe**

Exactly. They don't want to help him. This is the problem. And here is what came out, Pepe. Caitlin Dorn's post, a New York Post, she says that, I have now confirmed this myself through a Pakistani source familiar with the mediation efforts. My source said that there are multiple versions of the document, the document that Axios was talking about.

## **#Nima**

There are multiple versions then.

## **#Pepe**

Yeah, and that the details are still being worked out on which variant will be acceptable to both the United States and Iran. It seems that there is no agreement, you know, on this document. That's what I think.

## **#Nima**

It's so amazing. Before agreeing on anything, Donald Trump announced it.

## **#Pepe**

Go ahead.

## **#Nima**

So there are different MOUs. And, of course, there's a back and forth. There's no question about that. To get to a final MOU in itself is going to be immense, assuming we get there. Because the positions are completely apart in every sense, including the order of the procedure, the procedural order, and the key focus, the sequential key focus. For instance, it's going to be very hard to convince Trump that the first thing to be discussed is the end of the war and other wars. First of all, because he cannot commit to that. And he will not commit to that. And even if he does, he can tear it up, like he did with the JCPOA. Once again, there's no trust.

And even if you have, for instance, the Pakistanis, they are not strong enough mediators to impose anything. The Omanis... same thing. The only ones who will be able to impose something and impose some order in the discussions will be the Russians. Do the Russians want to do this? No. They have their own fish to fry, including the possibility of those lunatic terrorists interfering with the May 9 parade on Saturday. And this is a serious threat. But at least the Minister of Defense already said, if you do this, okay, we level Kiev. Pay attention. We level Kiev. I'm not sure those people in Kiev have registered that yet.

And the Russians are losing their patience. And, of course, inside Russia, it's something that... I'm dying to get the inside view when I get there later this month. People are losing their patience with the whole thing as well, especially now that you have infrastructure being attacked nearly every day — the oil installations, oil refineries, and all that. People are starting to get really, really pissed in Russia. So there is pressure now a little bit everywhere. Okay, let's solve this problem once and for all. So this is Russia's priority. They don't need to become mediators in somebody else's war. They have their own war to solve first, right?

## **#Pepe**

I'm not that familiar with the mindset of the Chinese government, but if I were to mention one single thing about these two conflicts — in Ukraine and in the Middle East — the Chinese position would be: if the empire attacks you, you don't back down, you fight back.

## **#Nima**

Exactly.

## **#Pepe**

And does that mean that China would not give some sort of, you know, I would say, some sort of off-ramp to the United States, or help the United States in the case of Iran and Russia? Or instead of, you know, cooperating with the United States, fight back in the case of Taiwan? Because it doesn't mean it's all about Taiwan. It's about how they can put pressure on China in the Strait of Malacca.

## **#Nima**

Exactly. It's Malacca. You're right. This was the theme of one of my columns last week. And Malacca is inevitable, sooner or later. Hormuz was a test. They lost. So they're going to get even angrier and now driven to, okay, we couldn't do it in Hormuz, but we're going to do it in Malacca. And that's why that military cooperation agreement signed between Jakarta and Washington is so dangerous. This might be the first, you know, the first plank of the strategy. We get that, and then we force the Indonesians to have overflight rights for American military planes. Then we try to set up a base somewhere. There you go. It's inevitable. So the Indonesians already made a big mistake.

And so far I have not seen—there's a lot of criticism in Indonesia about it, including from their own Ministry of Foreign Affairs, by the way. But don't forget, the head of the government is a military man, very close to Suharto in the past. When Suharto was deposed, he wanted to run for president, thinking that he would be elected. He was not. He was biding his time all the time. And now that he is president, don't forget, you know, these are old military reflexes. And they were very, very close with the Americans all the time. So Prabowo, you know, this veneer that he has of a progressive guy and all that—that's not the real story. It's dangerous. It's very dangerous. So Malacca is inevitable, Nima. Inevitable.

But the thing is, now they are very, very angry because they lost Hormuz. And Hormuz was the preamble to get to Malacca. Now they're going to have to start from scratch. But it's the same thing, because the war is fundamentally against China. The Chinese—everybody in China knows that, even people who don't follow politics. So the position of the Chinese government is very complex, in the sense that they, of course, want the Strait of Hormuz to be fully open, because after all, everything that they need goes through Hormuz. This is one of the things that Wang Yi told Arakchi today. But at the same time, he was talking about the sovereignty and the rights of the Islamic Republic of Iran.

This means the Chinese understand that if there is a toll booth, it would involve many of their own tankers, or they have an arrangement where their tankers go for free. So they are not as affected as other nations. For instance, the Japanese and the South Koreans—they're going to have to pay the toll. The Chinese, not necessarily. Of course, this depends; this interferes with the other Chinese suppliers because China buys oil from everybody in the Gulf. So the Chinese would want these tankers to go through as well. And then it starts to become complicated because they have to tell the Iranians, look, maybe we can find an arrangement for all of our tankers coming from the Persian Gulf. But they understand perfectly the question of sovereignty, independence, and the fact that the Iranians are establishing a new management system in the Strait of Hormuz.

The Chinese understand that very, very well. After all, the war is against them. And they understood the American blockade. The American blockade was also against them, and it's still there. But the Chinese are masters at navigating all that silently. But the fact that they are coming out openly and saying that everything directly linked to this war is illegitimate—this means completely illegal—that's enormous. This means that anything the Americans are doing is illegal, or will do later, is illegal because the original premise was and is illegal. So it would be fantastic. Obviously, we won't have this scene. Can you imagine, Nima, Xi Jinping telling this to Trump, in his face, face to face?

## **#Nima**

Obviously, Xi Jinping is going to say that, with him sipping a little bit of tea, a smirk here, almost a smile, probably using a metaphor from the Tang Dynasty. But I'm sure he's going to say it. And obviously, Trump won't know how to answer something like this, especially because the whole thing is his fault.