



MACRO Voices

with hosts Erik Townsend and Patrick Ceresna

Dr. Anas Alhajji: Oil Market Outlook, .Iran & Energy Geopolitics

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Erik: Joining me now is [Energy Outlook Advisors](#) founder Dr. Anas Alhajji. Anas, it's great to get you back on the show. There's so much going on in energy markets, let's start by revisiting, your calls from the past have been incredibly precious. What you've told us in the past is basically, look, there's plenty of room for geopolitical friction in the system to cause price increases, but we're not headed back towards more than 100 bucks a barrel until we get more demand, which you thought would be coming at some point in the future. And or we get a reduction in the amount of spare capacity that exists within OPEC. So let's start with an update. And an outlook on where we stand for the second half of the year. Is that demand that you were looking for going to come back in the second half?

Anas: Absolutely, based on our view, our view has not changed for the year, we still predict growth in the oil demand in the amount of 1.48 million barrels a day. But here's the problem that we have. If you look at the latest report of the International Energy Agency, the IEA and OPEC, you see a very large differences. OPEC thinks that growth in 2024 and global oil demand will be 2.2 million barrels a day. But the IEA thinks it's only 1.1 million, so literally half. And when you look at those differences coming from the two largest organizations in the oil business, you start asking questions, what's going on? And as you know, we talked about this before, we have major deterioration in the data quality since 2017. It got really worse with COVID. And then with the invasion of Ukraine, the grey fleet or the ghost ships, Russian, whether Iranian or the Venezuelan. So, we have serious problems. But the biggest problem we have this year, in addition to all the data deterioration, what we've seen is media reports and stories from the oil market, are either fake news, or they are tilted toward kind of supporting the Biden administration in the United States or the Modi administration in India, in a way that we've never seen before. Both of them are running for election. And you will see a story, for example, without mentioning the names of the organizations, a story about India's imports from Russia, and all of a sudden really tried to show that the sanctions are working on Russia and the price cap is working. And the government of Modi is cooperating with Europe and the United States. All of this is literally fake news. I can go on and on mentioning actual stories on this. But the idea here is, with all the data problems, the data quality problems with all the misreporting by the media, we should not be surprised that if OPEC and the IEA basically are added to the mix, by giving us two completely different outlooks for demand in 2024.

Our outlook is still the same, a 1.48 million barrels a day increase in 2024. The second half is usually better than the first half, this is kind of attained growth, no matter what China did not deliver the expected growth. Most of the information about India, unfortunately, is absolutely not correct. The Indian growth is still weak. We still have some serious issues in the market when it comes to oil demand. Because, for example, you look at prices, we've seen the medium sour crude in Asia getting a premium over light, which is rarely for this to happen, but all of a sudden had been happening several times in 2024. And I think the media and many analysts missed the point about the medium sour. They missed the point because of the following. We have two new major refineries that been commissioned, one in Kuwait and one in Oman. And both of them are designed to use medium sour, which means that all of a sudden, we lost a very large amount of medium sour to those refineries, while the Asian refineries are starved because of this change. At the same time, Mexico reduces exports of medium sour by 400,000 barrels a day since the beginning of the year. So, it's really a defining issue by having this change in the market and this is a permanent change by the way, permanent change in the market. While the Asia refineries are still waiting for the medium sour to arrive, and that increased prices, some people thought, oh, that's because of the increase in demand. And therefore, we have strong demand. It has nothing to do with demand. Literally. It is a change in the refining system, the global refining system. And that's why prices went up of medium sour crude.

Erik: So, your expectation for the rest of 2024 is an increase over last year of 1.48. Just about one and a half million barrels per day, by the end of 2024. What's the outlook beyond then?

Anas: When it comes to 2025, we do have the outlook from OPEC and they still have the same differences. The issue for 2025 basically is, and here's the funny part, even the IEA expect a global oil demand to reach the highest ever, in 2025, despite the fact that many people said oil demand has already peaked in 2019. So, we have this retraction coming even from those who expected a peak that oil demand will continue to grow. And one of the problems we are facing right now is this retreat on global or on climate goals throughout the world. We have this major retreat, whether you talk about countries, you talk about policies, you talk about sectors, you talk about companies, and that major retreat means by default, increase in demand for oil, gas, and coal. And the issue here is, it's very hard to kind of get a handle on the impact of this retreat, because we don't have experiences with this to look at previous data and see what a retreat like this will entail. So, our problem right now is, what if this retreat is larger than expected? And does it mean that OPEC forecast of 2.2 million could be correct, simply not because of growth in demand or regular growth in demand, as much as it is really retreat in a climate change policies that are increasing the demand. So the problem for 2025 is really not knowing the exact impact of this retreat.

Erik: Anas, let's move on to the situation developing in Iran. I should tell our listeners, we're recording on Tuesday afternoon, a couple of days before they will hear this. As of this moment, it's obviously been well reported that the president of Iran was killed in a helicopter crash. And as of this moment, we don't have any really definitive and certain answer as to whether any foul play was involved. But we certainly have not seen any conclusive evidence that it has been, it's only speculation that there might be some foul play involved. What does this mean? I guess in

both scenarios, if it's foul play, if it's not foul play, what is the significance of this to the oil market? And to what extent is it important that we have this kind of unknown regime change? You know, who's going to be the next guy is not really clear yet. How much risk does that introduce into the system.

Anas: Oil was discovered in Iran in 1908. Since 1908, and till today, no other country had an impact on the oil market more than Iran. The events that Iran went through throughout history, because it was a very large producer at one point, they produced more than 6 million barrels a day. Whether you want to go through the occupation of the British and the Soviet of Iran, the nationalization in 1951, or the coup in 1953. Or if you want to go forward and look at what OPEC did before the oil embargo in 1973, when they increased the posted prices because the Shah was supporting that, or the labor strikes in 1977, 1978. And then the Iranian revolution in 1979, then the Iraq-Iran war between 1980 and 1988, and then the nuclear program, we know the impact of all these events, etc. Then the agreement in 2014, then the Trump decision to end that agreement in the fourth quarter of 2018. And all the things that ensued after that, or you want to talk about the Gaza war, or the Houthi attacks, etc. So, if you plot all those attacks over time, there is no country in the world that had more influence on the oil market than Iran. So that's the history.

But at the same time, if you look at what we saw, and I think we were the first one on Sunday to say that if the President and the foreign minister are dead, there will be no impact on the oil market. And some people get annoyed by it, especially the oil bulls who wanted the prices to go up. And the reason why is that the system in Iran is based on the supreme leader, and the Islamic Revolutionary Guard. So there is a system. And the whole world, whether you talk about OPEC members or Iraq neighbors, or the negotiations between the Europeans and the Americans, they are negotiating with the system, they are not negotiating with the person. So the President and the foreign minister are soldiers in a system, they serve that system, they advise that system. But if they disappear, that does not change anything, because the supreme leader, and the leader of Revolutionary Guard are everything. And therefore, we conclude it from Sunday that there will be no impact on the oil market. And if you look at oil prices, that's exactly what happened. Prices came back to what they were on Friday, and there was no change. So, there is no impact, simply because it is assumed it is weather related.

But to go back to second part of your question, what if we discover it was not weather related. Everything changed from what I said. For example, it was suggested that Israel did that. Our view basically is Israel has no interest in killing the president and the foreign minister, have no interest at all. But if it is the case, then everything changes, because that means the geopolitics impact on all prices is going to increase substantially. We'll see a reaction from the Houthis, we'll see a reaction from Hezbollah, we'll see direct reaction from Iran itself. And in this case, oil prices will go up. But the most likely scenario, if this is not weather related, that it is a fight within the regime itself. So, it is one faction against the other. And if that's the case, that would have an impact. If those factions start fighting among each other, because that means resources will be diverted from the oil sector to other sectors, we may not see the same spending on upstream, exports might be kind of affected because they are used to finance the regime. So

which faction is going to control the oil revenues in this case. So the bottom line on this one is, if it is only weather related, our prediction was no impact and still no impact on the oil industry, no impact on the oil sector, the Iranian oil company still intact, the oil minister is still intact. The foreign companies, especially the Chinese operating there, or the ones that deal with the Chinese and others, even the negotiation with the United States are still intact. But if there are other things, then the situation will change. So we've got to wait to see whether a new information comes up on whether this was just an accident, or others involved to cause this accident.

Erik: Now, regardless of whether this was an accident or not, there's been a fair amount of speculation from people in the oil markets who have said, look, what's going on right now is, Israel feels threatened by the Iranian nuclear threat. And there's a likelihood that Israel will mount an offensive preemptive strike to basically take out either the nuclear facilities or what might have been the nuclear facilities and so forth, in order to preempt any possibility of a nuclear strike from Iran against Israel, if that is to happen, or even if it starts to happen, and there are rumors that it's happening. What are the consequences of that potentially?

Anas: Generally speaking, I personally do not think that's going to happen for multiple reasons. Let me back up here a little bit and mention the following issues. President Trump reimposed the sanctions on Iran in the fourth quarter of 2018. Candidate Biden, in 2019 and then in 2020, promised that if he wins, he's going to bring the agreement back, the 2014 agreement back that President Trump rejected. So that was a campaign promise. And since they won, he tried but the Iranians refused. Why they refused? Because they said, if our agreement with you is going to be tied to a President and the Presidents change every four years, we're not going to invest in such a deal. So, either the deal will be with the Congress, or we got to renegotiate the deal. There is no way, based on the current circumstances, that the US Congress will agree to a deal. But for President Biden, he got stuck, and I'm not defending Biden here. I think this is just kind of a political view of the relationship between the Biden administration and the Iranian regime. President Biden wanted to come back to the agreement. So, he wanted the Iranians to stay at the table negotiating in Vienna. The only way to keep them at the table is to ignore the sanctions. So, he ignored the sanctions. But the Iranians are smart, they took advantage of the situation, they started increasing production and increasing exports. By August, September 2021, it was clear that the negotiations failed. And there, it was a total failure. We know now for sure, it was a total failure. But at that time, the intelligence community knew, and I'm talking about August, September 2021, that Putin is going to go to Ukraine, and the plan was to go there in December. But the Chinese had their Olympics. And they were afraid that if Putin goes to Ukraine, he will go through when the Chinese Olympics, so they asked Putin to delay the invasion of Ukraine, and he delayed it until February 2022. But the US administration knew he was going to go to Ukraine, they knew they're going to do something, they knew that they are going to impose sanctions on Russia, they really predicted that with sanctions, Russian production would decline by 3 to 5 million barrels a day. Of course, that was a big mistake. Because we know that that's not going to happen, but I don't know who were their advisors who told them that. But they were expecting that.

So they asked Saudi Arabia and its allies to increase production before they impose the sanctions, and the Saudis and their allies refused. They refused for two reasons. The first reason is, there were no shortages in the market when the Biden administration asked. So why increase production in a market with no shortage? The second thing is, Russia is a member of OPEC+, and they viewed Biden's demand as breaking up OPEC+ so they rejected that. Here, the Iranians took advantage of the situation, and they told the Biden administration, look, the allies basically are refusing to cooperate with you. But I have this floating storage, which was about probably 60 to 80 million barrels. If you let me sell it, I can liquidate that and help you out. But you've got to kind of ignore the sanctions. And the Biden administration liked the idea. So, the Biden administration started withdrawing oil from the US SPR.

At the same time, the Iranians started liquidating their floating storage. And then because of this cooperation, the Biden administration, through a gulf country, an Arab Gulf country, they give the green light to Iran, telling them, look, if you want to increase production and increase exports, I will ignore the sanctions as long as you send this oil to Europe. And Iranian oil was reaching Europe, freely in front of everyone, despite the sanctions. So, it started with Biden wanting to keep the Iranians at the table for nuclear negotiations. By the time negotiations failed, the issue of Ukraine came up and the Biden administration wanted more oil in the market so they could, or in a sense, they just ignored the sanctions. And they turned a blind eye to the sanctions. By the time the market stabilized, and oil prices went back to the 80s. Now we are in 2024, and Biden is running for re-election and he is afraid that oil prices will go up. So, what is the solution? It's to ignore sanctions again. But we had the Gaza war. And then Israel hurt the Iranian consulate in Damascus and they killed some Revolutionary Guard members. So, Iran retaliated by attacking Israel. This is a very important point here to mention, because our expectations were, from the beginning of the year, that if oil prices go up in the summer, the Biden administration will withdraw oil from the Strategic Petroleum Reserves, the SPR. We were surprised when the Biden administration offered to buy oil for the SPR in August and September. That means we felt that they were really comfortable with the market and they were able to buy, because they were thinking that prices will go up. All of a sudden, out of nowhere they decided to cancel those requests. And we learned later, they cancelled the requests a week before Iran's attack on Israel, because they knew that Iran was going to attack, and they did not know what the ramifications would be in the oil market. So, they cancelled orders for August and September, that would allow them to draw oil from the SPR, because you can fill and withdraw at the same time, technically. So right now, it's open for the Biden administration to use the SPR in August and September, because there are huge purchases for October and November.

Today, we learned that they are releasing gasoline from a Sutter reserve in the north, in the Northeast. So, releasing gasoline, give us a hand, that they are willing to use the SPR as needed. I have the view that they will use the SPR. If WTI reaches 90 or higher, as long as WTI is below 90, they will need to use the SPR. So, we will see how this is going to go. So to sum up here, the cooperation between the Biden administration and the Iranians, since they won, it was very clear that first they wanted the Iranians to stay at the negotiating table. So, they ignored sanctions. Then they needed the Iranian oil to cover for the Russian oil, so they ignored the

sanctions. And then because of the elections, they ignored the sanctions. But after Iran hit Israel, the Biden administration had to do something. So they imposed some sanctions and new sanctions on Iran and including oil sanctions. And guess what? These are toothless, toothless sanctions. So, the Iranian oil is still flowing. And the Biden administration is happy with that. So you're looking at all this in direct coordination, and it's just energy politics at its best.

Erik: Now, as I try to interpret this big picture situation, the way I'm looking at it is, it was very, very clear that Israel wanted to re-escalate the conflict with Iran after Iran's counter attack and so forth. The Biden administration put their foot down and said no, and I frankly, I think it was not during an election year, you're not going to do that. It seems to me that it's likely after the election, that the business between Israel and Iran is not over. I don't think either side is just going to forget what's happened. Would you agree with that? And if so, what would the potential consequences of a re-escalation between Iran and Israel be for the market?

Anas: You are absolutely correct on this scenario, and probably it is the most plausible scenario, as you stated. The issue is, will the Israeli government survive, because it's always living on the edge that could collapse at any moment. So, I think the scenario where there could be escalation depends on who's going to be in power, after the US elections, in Israel, of course. So will it be the same government? Kind of a more leftist government? More lenient? More pro Biden government? Depends. So I think everything hinges on what type of government Israel will have by early 2025.

Erik: Let's move on now to the Kingdom of Saudi Arabia, which has also been in the news, although not quite as much as Iran recently. There was an attempt on the Crown Prince's life, where the Crown Prince was not injured, but several of his guards were killed. I haven't really heard any clear reporting on who was behind it or what the motive was or what happened. And then, the next bit of news to come out of the Kingdom, more recently, just in the last few days, has been that the Crown Prince was forced to cancel a trip because the king's health is not good. And there's a need for the royal family to stay at home, while the king's health is questionable. So, does this mean that the king's life may be coming to an end and if so, what would the consequences of that be? How should we understand the situation overall? Who was behind this attempt on the Prince's life? What does it mean? And how is this all going to develop from here?

Anas: I'm glad you mentioned that because the first story about the attempt on the Prince's life was fake news. And the video that have been mentioned with that fake news is two years old and related to a fire in one of the streets in Riyadh, it is not related to any attack on him. And the first tweet that came out with the video has been deleted. But other people picked it up anyway. So, although the original video and the original tweet was deleted, because it was fake news, it carried the life on its own. So the news was absolutely not correct. And the video was two years old, from a problem or a fire in one of the streets in Riyadh. As for the issue of succession, the first time I heard about issues of succession in Saudi Arabia, and possible problems, when I was still a master's student, doing my master's, I heard about it at a conference and people raised it. And since then, this issue, because it just happened that most of the leaders in the

Arab world in general, and in the Gulf, in particular, for a period of time, almost everyone was above 80. So there were this major concern by some about, okay, those are all people who are having to die, we'll see fighting, we'll see problems, we'll see this, this, this. And for the last 30 something years since I wrote it the first time until now, we never had any problems. And many leaders died and those who succeeded them died. And in some countries, even the third person died. And we will not have any problems. We did not see any problems in those countries. And this issue is being raised again now because of the health and the age of King Salman. And it's the same old story. MBS is in total control. All the military experts and all the political experts will tell you the same. I've been hearing it all over. Jack Sullivan was in Riyadh couple of days ago, while the media and others have been talking about deals that include the nuclear reactors for civilian use, to generate electricity, etc., some people privately are suggesting it's probably related to the succession, we don't know. But the issue here is, I mean, I've been monitoring Saudi Arabia for a very long time. And it is one of the, since I was a student basically, I had to pick up four countries for oil producing countries to focus on. And Saudi Arabia was the main one. And it was a subject of my PhD dissertation, and I wrote hundreds of articles about Saudi Arabia. And I can tell you that I am not concerned at all about the succession and possible negative impact or some issues in the oil market. We've seen this so many times in the past, and nothing happened. And this is just going to be the same.

So the first story is fake news, the second one is not a major concern. The issue that everyone, I think should be concerned about, is that those countries are going after renewable energy and hydrogen, faster than Europe and the United States. So aside from politics, people do not realize that the Saudis and others may not need even to increase production capacity. All they get to do is just focus on renewable energy, to use less oil and gas, and then there will be more oil and gas available to the market without spending a single penny on expanding capacity. And I think this is a major issue in the next 10 years or so. And if you look at what they said today, today, Saudi Arabia announced the lowest cost of power generation from wind in the world, like 1.5 cent. And those countries are moving really fast, and now they're after nuclear. So I think those changes that people are not noticing in the oil producing countries deserve a lot of attention, because the implications are huge. Because all we're saying here is we are going to have more oil and gas without spending a penny on upstream. The other point here is, I think we've covered this in the previous interview that showed, as you know, Saudi Arabia was going to increase production capacity by 1 million barrels a day to 13 million and then they retracted that a few months ago, and people took that as bullish. No, it's not. It's not bullish at all. And the reason why, because they found Jafurah field, Jafurah field is one of the largest share reserves or tight gas reserves in the world. And when you go to tight reserves, you get a lot of NGLs. And it turned out that they can, instead of spending a lot of money on getting the oil, the 1 million barrels from offshore fields, only need to just go for the gas and they get most of it anyway, as NGLs.

Erik: Anas, the OPEC+ meeting is coming up June 1, what is that going to mean? What decisions will be made there? And what is the impact on the market?

Anas: A couple of things here. The first one is, and the latest report by OPEC, the latest monthly report, there was a major development. And it was the first report ever that incorporated OPEC+ into OPEC numbers, which means that, literally it means the gradual transition from OPEC to OPEC+. So, if you look at the tables, before we used to have only OPEC. Now, the tables are OPEC+. So, this is a very important development. And I'm going to make a wild guess here on your show. And probably remember this a couple of years from now or probably a few years from now. I seriously think that the name of OPEC will vanish completely over time. And they want to get rid of the name and it will disappear from history. And the reason why, because in their latest report, they never mentioned OPEC+. Instead of OPEC+, they use DoC, DoC countries. DoC stands for Declaration of Cooperation, which is the agreement that were signed by OPEC and non OPEC, including Russia in 2016. So now, moving from OPEC, to something called DoC. So it said DoC countries, that means the total number of countries which is about 22 countries right now in that group. So this is a significant development.

Now when it comes to the meeting on the on June 1, this could be a historic meeting for the oil market. And here is why. People are saying well, when OPEC increases production, which means that they will reduce the voluntary cuts, because the voluntary cuts agreement ends at the end of June. Well, voluntary agreements are done by countries who are a member of OPEC+, but not OPEC plus, which means that it is not officially, they cannot discuss voluntary agreements in that meeting. Obviously, they cannot. So this is not an issue of this meeting. But countries independently, can come out after the meeting and declare that their plans independent of each other. So, you will see those countries that cooperated on voluntary cuts coming out on their own. And they will say, I want to extend, for example, my voluntary cuts until September or December, because we are expecting that based on the current situation, based on the relatively weak demand growth, based on inventories, that there is no reason for them to increase production. And therefore, they will end up extending those cuts. But it's not in this meeting.

This meeting is historic for the following reason. A year ago, they agreed that they would meet on June 1, to hear from three companies, three independent companies. These are monitoring companies and all of them are Western companies. What are the capacities and the capabilities of each OPEC member to reassign the quota? Because there are some countries that are really angry, saying, look, we increased our capacity, but we are still stuck with the old agreement. And now I want to increase my production because my capacity increased. Iraq is one of them. The UAE is another. So they'll bring in three companies, those companies are going to tell them what their views are about the capacity of each country, and then they are going to re-divide the quota. So that's the significance, and that's going to be for 2025. It has nothing to do with 2024. So when you asked me earlier about my expectation for '25, and I mentioned the difficulties on the demand side. Now we have other difficulties on the supply side because we don't know what OPEC will do or OPEC+ or the countries with the Declaration of Cooperation, the DoC, will do in 2025. So that's why 2025 is very difficult to forecast right now. So that meeting, we expect them to renegotiate, in a sense or based on it, they will renegotiate the quota for 2025. And then not related to the meeting, we will hear individually from countries on whether they will extend their voluntary cuts to September or to December.

A final comment here is the Iraqis are over-producing. And whatever they say, has nothing to do with reality. They say, oh, they are committed, but they will over-produce anyway. And by the way, the news that Bloomberg published and some other organizations later, that the Iraqi oil minister said that they will not extend production cuts when they end, that was fake news. And to the extent it's fake news, because he was answering questions about deepening the cuts. And he said, no, we will not deepen the cuts. For some reason, Bloomberg thought he was talking about the extension of the cuts through the extension. Extension is one thing, deepening the cuts is another. And I would like to end with this because I'm still angry at it. One oil analyst insisted that he did say that they will not extend the voluntary cuts. And I asked him, did you hear the question has been asked in English? And he said, Yes. I watched the whole interview. And the whole press conference. I said again, did you hear the question, as mentioned in English? And he said yes. And he was lying, because it was in Arabic.

Erik: Anas, final question. You and I have been talking for several years now about an upcoming event, which is super super bullish for the oil market as we get to, essentially the lack of investment, finally catching up with us. And you and I have agreed in the past, okay, that's coming but not yet. And you've always been very careful to say that's coming someday in the next few years. But not yet. It isn't time for that yet. How far away from that are we now? And what would it take to turn you outright bullish on the market? Not the qualified where you've been for the last year saying, well, it kind of depends, but just outright bullish. What does it take to get from here to there?

Anas: First of all, for the countries within OPEC+, that had voluntary cuts, they will cut only under two related conditions. They will not increase production unless they see a meaningful increase in demand and meaningful decline in inventories, they will not increase production just because of the increase in prices because of geopolitical events. So, let's be clear on this point. The second point here is, we've seen a reaction, a strong reaction from the investment community. So, if we see a strong demand, will we see a strong reaction from the investment side. This is not really the investment issue, is not the big issue anymore. Because we are seeing kind of like a strong reaction, strong positive reaction in terms of investment. The issue is going to be the failure of the green policies, the failure of climate change policies that lead by default, to the immediate increase in demand for oil, gas and coal. That is not counted anywhere, and therefore, there is no investment to cover it. So, what I'm saying here is, as long as we can foresee, clearly, the increase in prices and the shortages, investment will catch up. But our problem right now is this failure, and that's why the International Energy Agency and the politicians, especially the Biden administration and the Europeans are doing a disservice to their countries. When they exaggerate the impact of these policies on oil demand, when they exaggerate the impact of electric vehicles on oil demand, they are doing a disservice to themselves first, because we are showing you right now, despite all the penetration in electric vehicles, we are seeing this increase in oil demand anyway and we're having to break record after record. And those guys who are exaggerating the impact of the climate change policies should stop for their own sake, before the others. This adjustment will lead to crisis. So, the issue for me to be bullish is this, we will see those policies collapse or some of them that will

lead to increase, sudden increase in demand for oil, gas and coal, we are going to consume all the spare capacity that we have in OPEC members. So the capacity will shrink significantly, we will see reaction from investment, so investment is going to increase, but none of that is going to be enough. And that's where this crisis that we've been talking about is going to happen.

Erik: And how far out do you think that is, at this point, or as best as you can guess?

Anas: The problem we are having right now is, and please give me two minutes because I need to explain this point, it is kind of a very important point. And it needs to get its attention,

Erik: Take as long as you need it.

Anas: Thank you. If you look at Europe and the United States, and the industrial countries around the world, when they have a recession, or slower economic growth, the share of renewable energy increases naturally. Why? Because the sun is going to rise, as we said in the previous show, the sun is going to rise no matter what, whether you have recession or not, the sun is going to rise. Even wind is going to blow whether you have recession or not. But if you have recession or slow economic growth, what you can control are the amount of gas, coal and oil that's coming to the system. As a manager of utilities, you can control that, but you cannot control the sun and the wind. So naturally, when you have a recession, the share of those is going to increase. The problem is, some people are extrapolating based on what we've seen in the last two years. And that's a big mistake. Because once we have strong economic growth, the sun is going to rise again and wind is going to blow, but they cannot bring more generation. So what managers will do, they will resort to oil, gas and coal to cover the difference. And therefore, all the trends are going to be or are going to change completely. So this idea of where the extrapolation is starting is really a big issue here, because Europe is suffering from a recession or slow economic growth. And therefore, you cannot take that and say, oh, look at the future, we are going to have more renewables. And the demand for fossil fuel is going to decline as a result. That's nonsense. Once we have strong economic growth, we are going to go back to fossil fuel and everything is going to be reversed and CO2 emissions are not going to continue declining, they will increase. So this is really a major point that everyone has to pay attention to, that the extrapolation from periods of recessions and slow economic growth are not the right way of looking at the future of energy markets.

Erik: Well, Anas, I can't thank you enough for another terrific interview. Before I let you go though, please tell our listeners a little bit more about what you do at [Energy Outlook Advisors](#). I know your [Substack](#) has gotten a huge amount of attention and post pandemic, you're back on the public speaking circuit. So for people who are interested, either in booking you as a keynote speaker or following your work on the Substack blog or elsewhere, how can people follow your work?

Anas: Well, generally speaking, we do advising for companies, financial institutions, and governments, that's in general. We also produce two [Substacks](#), for individuals and for institutions. The easiest way for people to follow my work and to get the links for the Substacks,

etc., or for the speaking engagement is to follow me on Twitter [@anasalhaji](#). And for those who follow me on Twitter, I would like to emphasize again, please, I do post a lot of things in Arabic that are not posted anywhere in the world. There is a lot of information in the Arabic language. And Twitter has a function or translate function below that tweet on the left. So don't get discouraged when you see something you don't recognize in terms of language, just click that translate button and it will switch to the language you are using. And you'll see that some of the information are not available anywhere else except in the Arabic language.

Erik: And again, that's [@anasalhaji](#) on X or Twitter. Patrick Ceresna, Nick Galarnyk and I will be back as MacroVoices continues right here at macrovoices.com