



Rice Global E&C Forum
**Engineering &
Construction**



2016 RICE GLOBAL E&C ANNUAL FORUM



THE FALL ELECTION, FOREIGN POLICY, AND
THE MIDDLE EAST

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Election 2016 – YUUUGE foreign policy issues:

Middle East. (To be discussed later.)

Trade/immigration.

China/Russia.

Europe: Ukraine, BREXIT, future of Eurozone.

Climate change.

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The Donald vs. “the blob.”

Not exactly sure what Trump’s foreign policy beliefs are.

He is a protectionist.

Big military build up.

“Deal maker.”

Strange fixation on Putin.

“America First.”

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Clinton represents “the blob.”

She is a fairly consistent liberal interventionist.

Support for Iraq War.

Big promoter of Libyan intervention.

More forward leaning than Obama on Syria.

“No fly zone.”

Her team is experienced, competent and orthodox.

Neo-cons have always had a soft spot for her.

Protectionism: flip on TPP.

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Middle East!

State collapse in wake of Arab Spring.

Rise of Jihadism.

Winning conventional war against ISIL.

Civil War in Syria: refugee flows.

Everybody has their own agenda: Turkish incursion.

Latest cease-fire: let's hope.

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What about hydrocarbons?

The Middle East may be going to hell – but oil production, with the exception of Libya – is going gangbusters!

Saudi, Iraqi, Iranian production is all up.

OPEC production at all-time high.

Reason: Oil is where ISIL isn't.

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Saudi-Russian deal on oil?

US shale.

VERY responsive to price.

OPEC effort to jack up prices will lead to increase in US production.

Other factors:

Oil use in OECD roughly flat.

Growth is in LDCs. India, China.

Latter is big question mark.

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Middle East remains important for world oil supply!

US remains net importer.

Prices set by world supply and demand.

No one else ready to supply security: Russia, China.

Lack of naval capacity.