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Ripple effect of banking crisis.

When you look at the forecasts for 2023, three factors were listed constantly across various publications. One was the macroeconomic outlook, the fear of the recession – where and for how long? Then there was China’s rebound in demand post-COVID policies. And there was Ukraine. These three forces continue to drive forecasts today. I wonder what we saw at the beginning of this year, the more optimistic outlooks I would say that were published, for example, by the IMF and other forecasting agencies and international organizations, whether they would be revised downwards now because of the banking crisis? And that means that the fear of recession that kind of faded at the beginning of this year is now coming back with vengeance. Chinese demand is growing, but is it at the same speed that people expected, that wow factor? I’m not quite sure we are there yet. And so far, it’s not proven to be strong enough to compensate for the fear and the economic outlook. And then the third factor, the war in Ukraine, is still ongoing. Really, nobody knows what the world will look like after the war.

China’s strategic play in Moscow.

For the long-term, the Chinese don’t want to side with a losing party. That would have a bad impact on their outlook for the future or reputation or the stance of China. Maybe there could be a chance that they are trying to broker a [peace] deal. It’s a very low probability. Of course, there is a greater benefit maybe to see the situation continue and to show that China is a big influencer on the global scene, which it is. But there could also be potential room for brokering a direct role. ■

**Paraphrased Comments*

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