

They miscalculated: we'll pay

Published: March 19, 2026, 7:05 am

Every now and again, I walk into the studio that we used to make our YouTube videos with Thomas and suggest that I just sit down and speak off the cuff on an important issue. This video was made that way. Sometimes I just have to speak about things the way they are.

Three weeks into the Israel-USA-Iran conflict, the real story is no longer military. It is economic.

The closure of the Straits of Hormuz threatens oil supply, fertiliser production, food security and global trade.

In this video, I explain why:

- * Oil prices could surge dramatically
- * Fertiliser shortages risk crop failure
- * Inflation and trade collapse are now likely
- * The global economy faces systemic shock

This is not just a regional war. It is a global economic crisis in the making.

https://www.youtube.com/watch?v=X_gl1zTYGp8?si=kt2K5Fy-L58DacaU

This is the audio version:

https://www.podbean.com/player-v2/?i=tscje-1a75fe6-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=auto&logo_link=episode_page&btn-skin=c73a3a

This is the transcript:

Where are we with regard to the war between Israel, the USA and Iran?

Three weeks in, which is where we near enough are, things are going very badly for the USA and Israel. They're going pretty badly for Iran, let's be honest. For the rest of the world, it's looking disastrous. What we need to do right now is understand where we are and what the consequences are going to be, and let me promise you, there is nothing but bad news in what I'm going to say.

Israel and the USA obviously assumed that they could impose regime change on Iran from the air, although throughout history, nobody has ever succeeded in doing that. Boots on the ground have always been required. It is clear that Israeli and US forces have created turmoil in Iran. They have created staggering economic damage. There are large numbers of casualties, and we know that this will have an enormous cost for that country in the future.

But that said, Iran is still fighting back. The regime is still in power. There is no sign at all, as yet, that the people in Iran want to overthrow it. And there is no sign that they are going to reopen the Straits of Hormuz any time soon.

What's the consequence of all this? Let's be clear. The Straits of Hormuz have become critical in a way that was entirely predictable. I am aware that this issue has been discussed many times in the past as the pinch point in the conflict between these countries, and now Iran has used its weapon.

The Straits of Hormuz have 20% of all the world's oil flows through them. One third of all the raw materials for fertilisers flow through those same straits, and the Gulf states are, in very large part, dependent upon both water and food brought inward through those straits. None of that is moving at present. Nor is there air traffic into the Gulf States, either right now. Dubai has closed its airport for the foreseeable future. Nobody can get insurance on ships or aircraft. Everything is shutting down.

Iran has played its trump card, and it's got to be said in military terms, it's played it well. In terms of political economy, it's used the only power it's got, which is to shut the Straits of Hormuz, and as a consequence, put everybody else at risk, economic risk, and

even physical risk.

And let's be clear, what are the consequences of what it's doing? We all talk about oil. We can see the price reaction. That price reaction has gone nowhere near to its limit as yet. It's quite possible that oil will reach record prices, maybe \$150 a barrel, it could be even more.

That's going to have a massive impact upon the UK economy, the worldwide economy, the economy of every country within it. Any country that is oil-dependent is going to see its balance of trade collapse as a consequence. There is going to be enormous global economic stress as a result of that factor alone, but that is not the end of this issue.

The big issue is actually the one with regard to fertiliser. Urea and sulfuric acid flow in large quantities, as do phosphates, through the Straits of Hormuz, and those are critical to fertiliser production.

Fertiliser is needed by April in many cases. It's not going to get there unless something very rapid changes in the scene. The fact is that Iran is holding the world's people to ransom, because come this autumn, there could be famine on the horizon because of a crop failure. The world is dependent on fertilisers. And it's not going to get them if the Straits of Hormuz are closed because all the chemicals required to create them are currently stuck inside the Gulf. This is where the real crisis is going to begin for the world beyond the Gulf.

Inside the Gulf, the food and water crisis could come even sooner. States like Kuwait, and partly Iraq, and other countries in that area, are all dependent upon imports of water and food through the Straits of Hormuz; again, those aren't happening. The fact is, as a consequence, that they are going to be in dire straits and soon. We are in absolute economic, and social, and physical and military turmoil as a consequence.

We know that many countries have been asked to join in with Trump to fight in the Straits of Hormuz. Quite rightly, these countries are saying to the US, "You started this war. You get yourself out of it." That's a fair response.

Iran has named its price for getting out. It's said the price is an end to all US air bases in the Gulf, and \$500 billion in compensation. You can see why they're saying it. They have been shattered by what has happened. Why shouldn't they ask for compensation when this was an illegal war? When they have suffered civilian casualties as a result?

My point is, everything indicates that we have not seen anything like the impact of this war as yet.

We are going to see inflation.

We are going to see our balance of trade collapse.

We are going to see shortages of fertilisers.

We are therefore going to see food shortages.

We're going to see shortages of raw materials for industrial production.

The whole of the AI industry is apparently dependent upon raw materials that, in large part, come from the Middle East. That means that the industry on which the world is pinning its hopes is going to have no hope at the time being because it will not be able to get the chips it wants.

Everywhere you look, you see a crisis coming out of this, and everywhere you look, you realise that Trump and Netanyahu had no idea what they were doing.

This is a war that is going to be a disaster for humankind. It's not World War III, but the consequences are going to be worse in many ways than a World War, and they're going to hit harder and sooner. Famine, economic disruption, massive inflation, turmoil, political disruption, democratic disruption, and a complete reframing of the politics of the Middle East, all of that is on the cards, and we just don't know where things are going.

This is a situation of genuine uncertainty. Uncertainty where we cannot appraise all the possible outcomes.

What I can say with certainty is this is going to end in misery.

There is no good outcome here now.

There is no prospect, even if Trump and Netanyahu were both got rid of, this will be resolved peacefully and easily, very quickly, without all the consequences I'm talking about arising anyway.

There is no chance, for example, of the Straits of Hormuz being opened in April, which is required for fertiliser flows.

There is no chance of avoiding major production crises in so many industries around the world that there will not be major shutdowns.

All of those things are now as near certain as can be.

So, my point is, we are in a mess. The only thing we can do is stop digging, and the people who have got to stop digging are, of course, Trump and Netanyahu. The fact is, we are in this mess because of these two men, both of whom wanted to avoid going to prison; let's be clear, that was their alternative fate.

For the sake of that, we're going to pay the most terrible price, and that terrible price is

going to be utter economic turmoil of a scale that it was very hard to imagine anyone could deliver to the world, but which will happen because Trump and Netanyahu decided to pursue an illegal war, forgetting that actually Iran had the power to fight back in a way they had not anticipated because they still control the Straits of Hormuz and their people are willing and able to still fight even though they have suffered enormous losses.

This is terrible. I haven't got a better outcome than that. Brace yourself for what's to come because you're going to need to. We are all going to suffer for the folly of two very stupid men.