2026

Iran & friends, on the brink?

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1. INTRODUCTION

This analysis intends to shed some light on the surroundings of an attack on Iran's regime. Whether it happens or not, the analysis will serve to better understand the support and the nature of the relationships among five countries which, allegedly, share bonds among them: Iran, Venezuela, Russia, China and Cuba.

The analysis is about the strength of those bonds, what Iran and Cuba can expect from the others in case Trump keeps on threatening them, once Venezuela has been sidelined.

2. BEFORE/AFTER MADURO'S EXTRACTION

Trade relationships among those five countries before Venezuela's regime was damaged in early January 2026, were as follows according to official data (tradingeconomics.com)[1]:

Pair	Exp. 1º→2º (US$ M)	Imp. 1º←2º (US$ M)	Balance (US$ M)
China—Russia	115,280	129,880	−14,600
China—Iran	8,950	4,440	4,510
China—Venezuela	4,800	1,600	3,200
China—Cuba	644.63	270.29	374.34
Russia—Iran	3,070	972.35	2,098
Russia—Venezuela	146.60	1.79	144.81
Russia—Cuba	130.80	14.77	116.03
Iran—Venezuela	27.44	708k[2]	26.73
Iran—Cuba	174k[3]	11.86	−11.69
Venezuela—Cuba	161.64	26.86	134.78

It represents the money made by trade thanks to the sales to each country within the bonded countries.

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[1] Numbers in the table are given related to the first country of the pair.
[2] 708,000 US$
[3] 174,000 US$

With the data, a Markov chain matrix can be organised, where rows represent the importance of the trade with each other member of the group (%).

	China	Russia	Iran	Venezuela	Cuba
China	0	0,8889	0,06901	0,03701	0,00508
Russia	0,9748	0	0,02304	0,001103	0,001057
Iran	0,814939	0,1800275	0	0,0050007	3,28E-05
Venezuela	0,906768	0,00102011	0,00040124	0	0,09181065
Cuba	0,834105	0,0457213	0,03707136	0,08310164	0

Each row sums up to 1 (100%). Each row represents the exports (%) made by the country in the row to the countries in the columns.

The intrusion of Trump in Venezuela changes the trading relationships among those actors. Because Venezuela will not be able to buy or sell goods to any of those countries unless Trump allows it. Russia will be the sole country to receive payment from Venezuela in the period following Maduro's administration. It is due to the conversations held before the extraction of Maduro and his wife. Russia negotiated the payments of the debt of Venezuela.

However, deliveries of oil to Cuba or China will not be allowed and that is a huge change for Cuba. Cuba was dependent of Venezuelan oil to keep the country running.

The matrix after Maduro's imprisonment remains as follows:

	China	Russia	Iran	Venezuela	Cuba
China	0	0,90749952	0,08752651	0	0,00497397
Russia	0,97487015	0	0,02414658	0	0,00098328
Iran	0,81493947	0,18002754	0	0	0,00503299
Venezuela	0	1	0	0	0
Cuba	0,83410565	0,087272167	0,078622182	0	0

We analyse both matrices by calculating their eigenvalues, eigenvectors and equilibrium states.

3. CONCLUSIONS

The analysis reveals the following topics:

The system's volumetric core is unmistakably the **China—Russia** axis. Using Comtrade-reported values, China's exports to Russia were about **$115.28B (2024)** and China's imports from Russia about **$129.88B (2024),** i.e., a China-side deficit driven by commodity inflows. At the same time, Reuters reports Chinese customs data putting total 2024 two-way trade at **1.74 trillion yuan (~$237B)**—a record—followed by a **6.5% y/y decline in 2025** to **1.63 trillion yuan,** partly linked to shifts in Russian demand and changes in the value

of energy imports. Geopolitically, **this underlines a mutual dependence with asymmetry: Russia leans on China as a critical market and supply source under Western pressure, while China gains discounted, rerouted commodities and strategic leverage over the terms of trade—yet can dial exposure up or down as enforcement risk changes.**

Relative to that core, China's trade with **Iran, Venezuela, and Cuba** is smaller in absolute terms but strategically salient because it interacts with sanctions, payment frictions, and logistics. On Comtrade numbers for 2024, China runs a clear merchandise surplus with each: exports to Iran about **$8.95B** vs imports **$4.44B;** exports to Venezuela **$4.8B** vs imports **$1.6B;** exports to Cuba **$644.63M** vs imports **$270.29M.** Geopolitically, that pattern is **consistent with China functioning as the** *industrial supply hub*—exporting **manufactured goods, machinery, electronics, vehicles/parts, and consumer goods—while selectively absorbing sanctioned crude or commodities when price discounts and enforcement risk are acceptable.** That "metering" function is increasingly shaped by compliance dynamics in shipping and finance (where risk premia, vessel behaviour, and buyer caution can change the effective capacity of the corridor).

Russia's links to **Iran, Venezuela, and Cuba** are modest in trade volume (and often older in Comtrade reporting) but matter politically because they diversify Russia's sanctions-era connectivity and expand non-Western cooperation channels. For example, Comtrade/TradingEconomics has Russia's exports to Iran at about **$3.07B (2021)** and imports **$972M (2021)**—a Russia-side surplus—while Russia's exports to Venezuela and Cuba in 2021 are around **$146.6M** and **$130.8M,** respectively. In addition to managing goods, the relationship is becoming formal: **in 2025, a free trade agreement between Iran and the Russian-led Eurasian Economic Union came into effect,** designed specifically to support trade expansion that can withstand sanctions.

In geopolitical terms, Russia—Iran is trending toward a "strategic economy under constraint" model: energy, industrial inputs, and dual-use adjacent ecosystems become as important as classic consumer trade.

Now, when you overlay the **Markov investment-effort matrix** (China, Russia, Iran, Venezuela, Cuba) on top of those trade realities, the structural picture sharpens: the **stationary distribution** places ~49% of long-run "effort mass" on China and ~45% on Russia, with Iran a distant third (~5.4%) and Venezuela/Cuba near zero. That is exactly the signature of a **two-pole gravitational centre** with a thin periphery. The

dominant nontrivial eigenvalue discussed ($\lambda_2 \approx -0.964$) indicates an oscillatory, slow-decaying rebalancing mode, meaning the system's biggest transient is a back-and-forth swing between the two poles rather than a smooth monotone convergence. In geopolitical terms: **the network behaves like a tight Sino—Russian coupling where marginal shifts in investment/effort allocation (technology, capital goods, financing, energy offtake, logistics support) can overshoot and then correct in alternating fashion— consistent with a relationship that is deep but continuously renegotiated under shifting constraints (prices, sanctions enforcement, secondary sanctions risk, and domestic policy).**

Finally, the matrix's "directionality" aligns with how sanctions and financial plumbing shape hierarchy inside this group. The Venezuela row being effectively one-way into Russia (and Cuba having a pathway that can quickly end up routed into Russia via Venezuela) is a stylized representation of **peripheral dependence: smaller economies can be politically aligned, but their "effort" rarely becomes a stable sink;** it is channelled through larger hubs that provide markets, financing, security guarantees, or logistics cover. Meanwhile, payment and banking constraints can reinforce hub dominance: analysis from MERICS notes how yuan settlement in Russia's trade surged after 2022 and how the threat of secondary sanctions can abruptly slow that channel's growth—exactly the kind of exogenous shock that would manifest in your model as a swing in the dominant (China↔Russia) mode. Overall, the trade balances plus the Markov structure together point to **a geopolitically coherent but *uneven* configuration: a resilient core (China—Russia) that can absorb pressure by re-routing flows, a secondary node (Iran) that plugs into that core under heavy discounting and higher logistics risk, and peripheral partners (Venezuela, Cuba) whose economic weight is small but whose political value can be leveraged in regional theatres and sanctions-era bargaining.**

Markov equilibrium is a two-node engine: **China and Russia are the system's gravitational centre,** and almost all the long-run "effort reallocation" is cycling between them every step. That is structurally consistent with the trade side discussed earlier: whatever the exact yearly totals, the geopolitical reality is that **China—Russia is the only corridor with enough scale to set the system's overall behaviour.** In network terms, this is not a balanced 5-node bloc; it is a **core—periphery** arrangement with a tight core.

Iran is the only meaningful "secondary node," and it is plugged into the core in a triangular way. Iran has a real presence, but the stationary flows show it

as **a satellite of the China—Russia axis**, not an independent pole. The interesting part is not just the gross two-way Iran↔China and Iran↔Russia flows; it is the *directional bias* (below) that produces a persistent **net circuit: Russia → Iran → China → Russia.** That is a classic signature of sanctions-era political economy: value, inputs, and bargaining leverage can circulate through the triangle even if the bloc rhetoric suggests five equal partners.

If you compute net stationary flows $F_{ij} - F_{ji}$, the largest imbalances are:

- **China → Russia:** +0.1300% (net)

- **Russia → Iran:** +0.1260% (net)

- **Iran → China:** +0.1106% (net)

Individually these are small (the system is mostly reciprocal on its biggest links), but together they form a **consistent geopolitical reading**: Russia's marginal "effort" tends to be pushed toward Iran, Iran's marginal effort tends to be pulled toward China, and China's marginal effort tends to be pushed back toward Russia. That is exactly the kind of **triangulation** you expect when (a) one hub is commodity-heavy, (b) another hub is manufacturing/finance-heavy, and (c) the third sits in the middle of sanctions, logistics risk, and workaround innovation.

Cuba and Venezuela behave like political appendices rather than economic attractors in this model. Their stationary throughputs are tiny, but their *routing role* is revealing: **Venezuela has no inbound except from Cuba, and Venezuela's outbound is essentially to Russia** (in the matrix Venezuela→Russia is dominant). In other words, Venezuela is modelled as a **one-step conduit into Russia,** and Cuba as a minor node that occasionally routes into Venezuela (and therefore into Russia).

Geopolitically, this reads like a symbolic/strategic alignment channel (diplomatic cover, regional theatre support, niche exchanges) rather than a corridor that materially reshapes the bloc's economic centre of gravity.

The flow composition shows who "feeds" whom at equilibrium—i.e., dependency structure. At equilibrium, the **inflow composition** is extremely concentrated:

- Inflow into **Russia** comes **~97.77% from China** (the rest mostly Iran).

- Inflow into **China** comes **~90.48% from Russia** (then Iran, then Cuba).

- Inflow into **Iran** comes **~79.44% from China** and **~20.34% from Russia.**

- Inflow into **Venezuela** is **~100% from Cuba.**

This is a clean dependency map: Russia and China feed each other; Iran is fed by both (especially China); Cuba and Venezuela do not feed the system so much as **hang off it.**

4. POLITICAL READINGS

China and Russia dominate the scene among those five allies. Financially, Venezuela and Cuba are meaningless for the big two in the network. It explains the lack of reaction when Maduro was toppled, and **it is likely acceptable the loss of Cuba into the hands of Trump.**

Iran is a bit different. **Iran plays a role in the evading-sanctions regime established by Russia and Iran which benefits China, too.**

In addition to that, the amount of money involved, although not critical, is not irrelevant as it happens with their Caribbean partners. Moreover, Iran is closer geographically to both. It is not within the sphere of influence of either China or Russia.

Russia has a clear interest in Iran remaining politically and economically isolated and in a sustained confrontation with the United States and Israel. From this perspective, the preservation of Iran's current political order is seen as the most reliable means of maintaining that isolation. The reasoning behind this position is described in economic as well as political terms.

Economically, Russia stands to gain from the continuation of Western sanctions on Iran, particularly those constraining Iran's energy sector. Given the Russian state's heavy dependence on hydrocarbon revenues, any development that materially increases global oil supply can be interpreted in Moscow as strategically adverse. In this context, even the prospective return of additional barrels from other sanctioned producers—such as a scenario in which Venezuelan oil re-enters markets in volume following major political change—**may be treated as a potential threat to Russia's fiscal resilience,** including its capacity to sustain military operations and other external commitments. On this reading, **Russia has incentives to favour circumstances in which Iranian sanctions persist,** thereby tightening supply conditions and supporting higher prices.

Politically, Russia may also perceive advantage in fomenting or at least **perpetuating instability in a region of high**

strategic salience to Washington, not least because of US security commitments to Israel and key Gulf partners. **A protracted crisis environment centred on Iran can, in principle, absorb American diplomatic attention and constrain policy bandwidth.**

In that sense, sustaining a durable zone of tension around Iran—one that carries recurrent risks of escalation, conflict, and terrorist violence—**can be understood as a way of increasing the opportunity costs to the United States of engagement elsewhere.** The overarching proposition is that Iran's continued isolation and antagonism with the West serves Russia's interests by simultaneously **reinforcing favourable energy-market conditions and imposing strategic friction on US regional posture.**

Letting Iran's regime fall is not as digestible as Cuba or Venezuela by Russia or China. Unless that change comes from within it will bring further consequences and an escalation in the already stressed diplomatic relationships.

Iran is aware that the backing it receives from China and Russia has its limits, and both powers are most likely encouraging Tehran to engage in talks with Washington, as is presently occurring.