

From Rules to Risk

Trade, Energy, and Economic Statecraft

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Economic Statecraft Is Becoming Operational

From compliance-based rules to physical and legal disruption of trade

Traditional Tools

- Sanctions designations
- Licensing regimes
- Bank & firm compliance
- Price caps

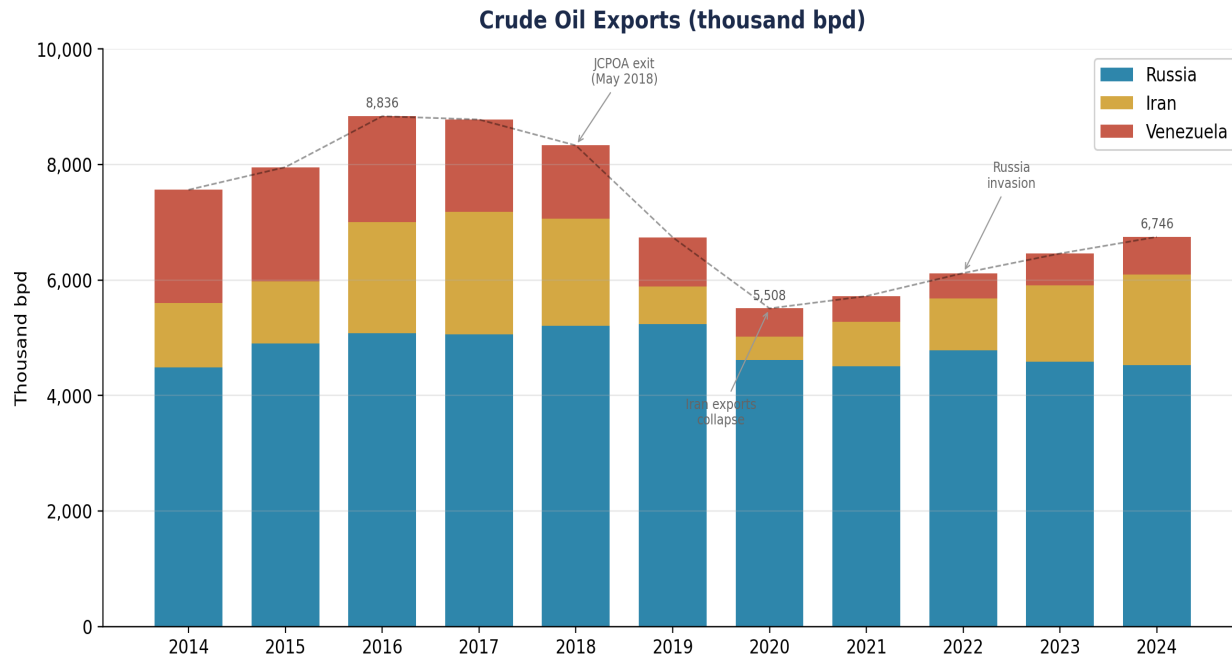
Emerging Tools

- Maritime seizures & interdictions
- Service denial (insurance, classification)
- Port-state enforcement
- Civil forfeiture theories

Enforcement risk now functions like a non-tariff barrier—stochastic, asymmetric, and politically contingent.

Enforcement Reshapes Flows — It Doesn't Just Remove Barrels

Sanctioned crude exports by origin (Russia, Iran, Venezuela), kbd — OPEC data via CEIC (2014–2024)



Source: OPEC via CEIC.

In earlier sanctions rounds, volume effects were severe—especially against Iran. In the current enforcement era, the primary adjustment has been routing and price wedges, not supply destruction.

Key sanctions escalations

2022 EU oil embargo + G7 price cap

2023 Shadow fleet expansion

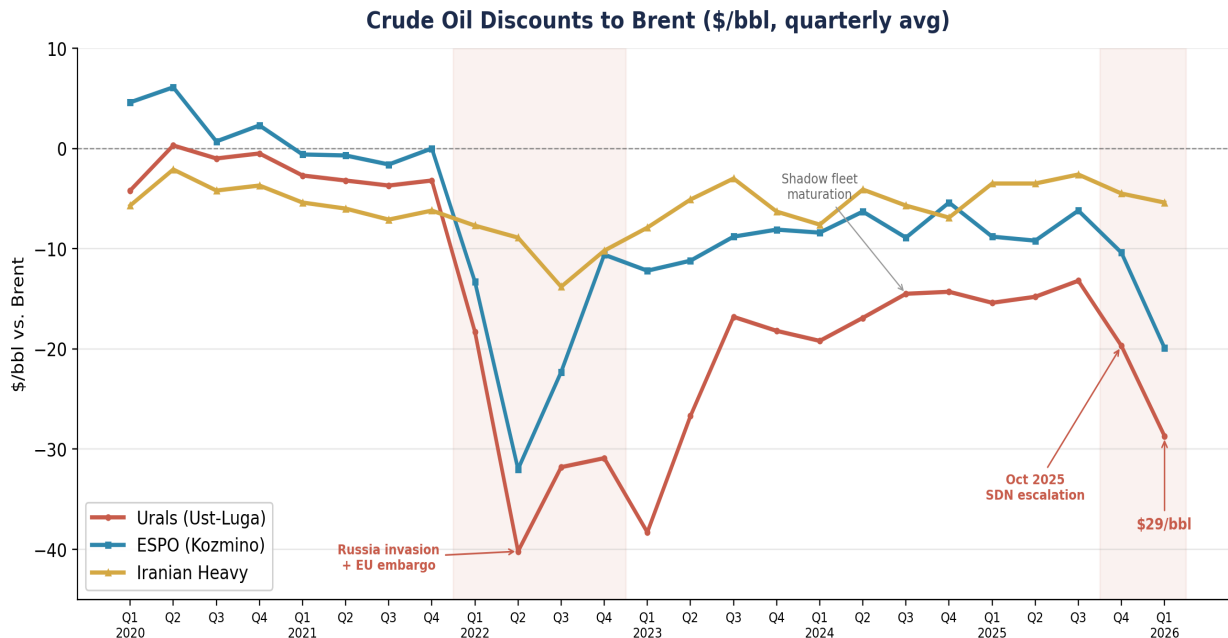
2024 Tighter SDN designations

2025 U.S. designates 600+ tankers, major Russian firms

2026 Ship seizures + EU 20th package proposed

Markets Price Enforcement Through Discounts, Not Scarcity

Crude price differentials (Argus Media daily data), \$/bbl discount to Brent



Source: Argus.

Notes: Brent dated (London close) as a benchmark; Urals fob Ust-Luga; ESPO blend FOB Kozmino; Iranian Heavy (London close). Data through February 9, 2026.

The wedge is the signal

Enforcement shows up as wider discounts—the rents created by sanctions.

Who captures the rent depends on enforcement reach, logistics costs, and buyer risk tolerance.

From a trade perspective, enforcement risk is a variable trade cost that reallocates rents across actors and jurisdictions.

Implications for Trade and Security Analysis

1

Trade costs are volatile and enforcement-driven

Standard ad-valorem equivalents miss the stochastic, politically contingent nature of enforcement risk.

2

Quantity adjusts after margins and routes

Most adjustment happens through discounts, rerouting, and intermediary shifts before volumes move.

3

Security externalities are endogenous to trade flows

Trade patterns shape enforcement exposure, and enforcement reshapes trade—they are co-determined.

The new trade-security landscape is not defined by less trade—but by trade that is riskier, more opaque, and more politically contingent.