China and raw materials 1/2
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The economic success of China is often perceived as a miracle fallen from the sky. The conception is that the Chinese are the happy winners in a lottery in which they have won exponential economic growth as an economic prize. But this success is not result of fate. China has planned, organized and structured this growth for a very long time. Certainly, if we look closely this growth is appears ad hoc but if we view from a distance we notice the coherence of long term planning in this economic boom. Current growth has been a strategic concept for several years, it is not the fruit of the fate, but the result of a very long term political plan that many other countries could never have perceived. Such a long-term approach is totally foreign to our contemporary political concepts, indeed our attitudes tend to ask why we should look 20 years ahead when it is difficult to see for a few months. However, in the game of chess, the one that sees farthest wins.

Some years ago western companies in China had the rather condescending idea to teach the Chinese communists capitalism. But, we do not attempt to teach Kasparov chess. We observe, we learn and take lessons. Decades of collectivism did not remove millenniums of tradition in the conducting of business in China. Indeed, the Chinese civilization from the Middle Ages, is already very experienced in the cultural, technical, scientific and especially commercial domain. Let us not forget that Marco Polo from a family of leading traders in Venice, the capital of global trade at the time, took copious notes and learned a great deal during his visits to Imperial China. Although companies try to invest in China, they do not understand the difficulties and nothing is made easy for them. The sole Chinese objective is the development of China, its self sufficiency and its economic and energy independence. It is not to help foreign companies even after the post Soviet transition.

To support and maintain its growth China needs energy and metals. Its monetary and political doctrines support its growth and its search for raw materials. It is necessary to first discuss its energy policy and then the search for industrial metals and finally the monetary role of gold and silver.
The energy strategy of China.

China (India too) is one of the rare countries that has a coherent and effective policy toward raw materials. As a good player of chess, China places its pawns for a long term advance and is planning to checkmate in three moves.

A. The strategy:

Petroleum, gas, coal, uranium, nothing is forgotten by China to assure its present energy necessities and especially for future requirements (for 10, 20, 30 years and even longer). This policy is coherent only with a long-term vision that ultimate price will matter little and that the sustained availability of the energy will be far more important. Long ago China understood the economic paradigm of inexhaustible natural resources, and develops its long term policy as a consequence.

China maintains its pawns on all the available squares of the chessboard. She overcomes all the obstacles such as countries with political risks (Sudan, Angola, Nigeria, Gabon) and even purchases rights at the full price (deposits of Sudan, investigations in Brazil). The negotiation for the Occidental oil private grounds of the chief warrant officers in Nigeria and even directly challenges the might of the USA (e.g. contracts with Iran, Iraq, and Venezuela). In fact China is buying all available energy deposits and contracts and using its extensive political, military force (sale of weapons), economic and commercial wiles to attain its objectives.

B. Some examples:

Current economic events indicate a very coherent policy of the Middle Empire toward sources of energy as shown in the following limited number of examples.

- SINOPEC (China Petroleum and Chemical Corporation) buys 100 billion dollars of gas in Iran for 30 years and contracts to develop Yadavaran’s Iranian petroleum.

- Agreements are signed with Hugo Chavez's Venezuela for three billion dollars for the delivery of oil products to China (petroleum, heavy raw product, Orimulsion). Venezuela has given a license to the CNPC (Mocked National Offshore Oil Corporation) the right to exploit new deposits of gas of Caracales and Intercampo Norte.

- Sino-Japanese battle for the purchase of the petroleum in Siberia, the construction of an oil pipeline and the offshore sea exploitation off China.

- China has signed agreements with Brazil for oil drilling and the construction of a pipeline, at apparently for three times the market price.

- The reserves of natural gas and petroleum of Algeria are also of interest to China and SINOPEC and CNPC have signed contracts with Sonatrach (The Algerian oil development company), Sino-Algerian oil cooperation is extremely important.
- In 1997, CNPC managed to obtain the rights for development of two major oil fields in Kazakhstan, in spite of Russian and American pressures. These oil fields are capable of producing 1 and 1.5 billion barrels. CNPC has a project to build an oil pipeline joining Kazakhstan to Xinjiang province in North West China.

The energy policies of China are not limited to the gas and petroleum:
- China has signed agreements with Australia for the investigation and the development of its deposits of uranium for the supply of its future park of nuclear power stations in construction.
- Even coal is not forgotten by Beijing which has recently signed long-term agreements with BHP (BHP controls 30 % of the world conversion of coal to furnace grade coke).

While Europe and North America discover with bewilderment that the petroleum price can climb over 70 dollars, China continues silently to develop its energy strategy to assure its long term future supply. While western countries look for some fiscal and political spin to calm the rumbling discontent of the motorists about the increase of the petrol price, China buys into all underground petroleum, gas, uranium and even coal that is still accessible. Their strategy is simple, to buy all energy sources available in big or small quantity. From the bitumen sands of Alberta through to Australian coal and even to Sudanese petroleum. To accept that oilfields run out is an unacceptable idea for the political agenda of occidental economic circles. Speak to a western academic or to a fund’s administrator of the peak of production of the petroleum and you are immediately classified as a madman. Nevertheless, the production of petroleum levels out, demand increases, prices rocket and the Chinese place their ideological energy Queen in the center of the chessboard.

Dr Thomas Chaize

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