

Read us in Chinese at



Search: Archive ASIA TIMES by keyword



- Front Page
- Greater China
- China Business
- South Asia
- Southeast Asia
- Japan
- Korea
- Middle East
- Central Asia
- World Economy
- Asian Economy
- Book Reviews
- Letters
- Forum

Aug 25, 2006

Find the picture that follows logically and learn your IQ...



Submit

Russia spins global energy spider's web

By W Joseph Stroupe

The vast bulk of the world's oil, gas and strategic minerals resources either is coming under or is already under the control of authoritarian, or less-than-democratic, or leftist, or otherwise radical regimes either with a decidedly anti-Western political stance and ideology or pointedly decreased sensitivities to strategic US interests.

It is difficult to name more than a handful of resource-rich states



Print this article

Email this article

Currency converter

Comment on this article: Go to

THE EDGE
Your world, your forum

ChinaHighlights.com

- [China Travel](#)
- [China Tours](#)
- [Yangtze River Cruise](#)
- [Great Wall of China](#)
- [China Airline](#)
- [Map of China](#)

Think Globally.

Online Asia Times

RELATED ARTICLES

[Venezuela, Russia: Comrades in arms](#) (Aug 2, '06)

[Petro-hysteria grips a superpower](#) (Jul 1, '06)

[US outflanked in Eurasia energy politics](#) (Jun 10, '06)

IQ QUESTION:
Which does not belong in the group?

-
-
-
-
-
-

that are liberal democracies and that are still significantly aligned with the West. Only Canada and Mexico come immediately to mind, and even Canada is increasingly embracing China and the East in the sphere of strategic energy deals and agreements.

Even those resource-rich regimes that are considered to be the



most moderate of the globe's producing states are far less closely aligned geopolitically with the US than they were previously.

Saudi Arabia, for example, continues its "Look East" policy of diversifying its markets away from the US. It has concluded a range of important deals in the energy sector with China and India and is steadily moving into closer geopolitical alignment with the

rising East.

A number of other key Middle Eastern regimes are following suit. By and large Latin America is doing the same, as are Africa and Central Asia. Almost none of the world's oil and gas producers wants to be inordinately dependent on the US market any longer. Additionally, the steady rise of the powerful economies of Asia

Click Here!

Tickle Your Brain

beckons oil and gas producers toward such lucrative markets that are politically cost-free, meaning they do not attach political demands and seek to interfere in the domestic affairs of the producing regimes, as does the US.

In virtually all cases, the interests of the West and of its multinational oil companies and big Western financial institutions are being minimized and/or pushed out as the global trend of nationalization, by one means or another, of the oil-and-gas sector picks up speed.

That is occurring in Russia, which has now surpassed Saudi Arabia as the world's largest exporter of oil, in Central Asia, the Middle East and in Latin America. Within virtually all such regimes the lines of separation between the top levels of political leadership and the directorship of key corporations and industries are not only blurred but are being obliterated. The multinational oil companies of the West are being marginalized as a direct result.

That is the case in Russia, where in many key areas of industry corporate directors are intimately tied to President Vladimir Putin, having formed a close association with him long before he became president, and many even hold key positions as upper-level Kremlin officials, or as government ministers. Not merely coincidentally, the key corporations the directors of which are so closely allied with Putin are often resources-based and are also those that are state-controlled businesses, with the Russian state holding controlling (51% or more) interests.

To varying yet alarming degrees, the resource-rich regimes around the globe are copying the Russian model. Resources-based corporate states with a profound political affinity for one another and a simultaneous collective disdain and even a hatred for US-led unipolar dominance are proliferating around the globe.

Resource-rich Russia's mounting global leverage with the world's other producing states and with the powerhouse economies of the East, and its profound political affinity with such producers and key consumer states, far outweighs the influence of the Organization of Petroleum Exporting Countries (OPEC).

How so? Russia is crossing the membership boundaries of OPEC to court its most powerful members and to conclude with them joint-venture agreements of huge consequence and importance for the future of global oil and gas exploration and production. The West is rapidly being pushed out of such ventures, or is being forced to take radical reductions in the size of its stakes, and is being left out entirely in many new ventures.

Instead, the world's producing regimes are increasingly entering key joint ventures between themselves and in very close cooperation with the powerhouse economies of the rising East, such as China. We are witnessing not merely the formation of some new oil-and-gas cartel with Russia at its center, but rather the formation of something that includes both producers and the key consumer states of the East in an ever more cohesive de facto confederation. This is dedicated to the achievement of strategic energy security for those within its clearly defined circle. In the process, OPEC itself, as an entity, is being undermined and marginalized. Simultaneously, the West is being forcibly cast from the proverbial frying pan into the fire as something far more powerful, compelling and all-encompassing than OPEC is coalescing.

The ominous rise around the globe of the resources-based corporate state is accelerating. The implications for the West are enormous, yet such implications are only beginning to be understood. As noted above, such states are concluding rapidly increased numbers of strategic agreements among themselves for the joint exploration and production of oil and gas, and with the rapidly rising powerhouse economies of the East, such as China and India, for the private long-term supply of oil and gas.

The creation of such private pools of oil and gas for the consumption only by specific economic powers in the East and select economies of the West is also a new development that carries with it profound implications for the West.

[Ads by Google](#)

[America's Secret Oil Find](#)

Learn How

Colorado is Sitting on More Oil Than the Middle East
www.dailywealth.com

[Asian Pipeline News](#)

News and detailed reports on pipeline projects in Asia
www.pipelineasia.com

[Energy Deals](#)

Looking For Oil & Gas Deals in the Asia-Pacific Region?
www.energydeals.com.au

Bausch & Lomb
PureVision
Contact Lenses

Get a free trial pair of Bausch & Lomb PureVision contact lenses ▶

In essence, the circle defining international energy security is now being drawn. Inside the circle are those producer and consumer states whose political and geopolitical affinity for each other is the result of no mere chance occurrence and whose energy-security interests are being strategically served and addressed on both sides of the producer/consumer equation.

Some of the economies of the West, such as Germany, are being included within the developing circle. Outside the circle are those economies of the West that are to be left out of the growing international energy-security arrangements currently being constructed, as alluded to above. Interestingly, and as a profound new development, it isn't the United States that defines the path and scope of the circle. Instead, it is Russia and its strategic partners who are defining it.

Because Russia's leaders adroitly positioned the Russian Federation to capitalize massively on global energy developments, it is the state that inherited the unique ability to shape global developments as they unfold. Russia is shaping important developments among the world's key producing and consuming powers. They are being shaped contrary to the strategic interests of the United States, as noted above. The US is also shaping developments, foolishly handing Russia and the East ever more global leverage. By incessant strategic blunders, the US has isolated itself internationally and fanned the fires of global anti-Americanism, which increasingly engulf the very regions where its own resources-based strategic interests lie.

An entire array of fundamental global developments as respect strategic resources is quite literally changing the landscape of the traditional global energy order. With regard to energy and energy security, a new global order is emerging. The US-backed liberal, open global oil market order is beset by an accelerating proliferation of private, state-to-state long-term agreements and contracts concluded within the circle Russia and its partners are defining.

This is creating increasing numbers of private pools of oil and gas dedicated only to serving the energy-security interests of the circle of private participants. Along the way, Russia's export monopoly of the oil and gas that still flows outside the circle to the West continues to grow, further ensuring its mounting global leverage.

Rather than being merely unrelated and random events, global developments in the energy and geopolitical spheres over the past seven years form a distinct pattern that bespeaks the execution of a developing strategy of a Russian reacquisition of global power, but in concert with its strategic partners, at the incalculable expense of the West in general and of the US in particular.

Contrary to the assumptions of conventional wisdom, the US hasn't any longer the global leverage to shape unfolding developments in its favor. Russia is rapidly acquiring such leverage, and it is expertly plying that leverage against US vulnerabilities in the energy sphere.

W Joseph Stroupe is editor of *Global Events Magazine* online at www.GeoStrategyMap.com. He has authored a new book on the implications of ongoing energy geopolitics titled *Russian Rubicon - Impending Checkmate of the West*.

(Copyright 2004-06 W Joseph Stroupe.)

[Oil Price](#)

Get free Oil commodity future prices, charts and market news.

www.ADVFN.com

[Petroleum Economist](#)

The Authority on Energy Magazine, Maps, Books & Training

www.petroleum-economist.com

All material on this website is copyright and may not be republished in any form without written permission.

© Copyright 1999 - 2006 Asia Times Online Ltd.

Head Office: Rm 202, Hau Fook Mansion, No. 8 Hau Fook St., Kowloon, Hong Kong
Thailand Bureau: 11/13 Petchkasem Road, Hua Hin, Prachuab Kirikhan, Thailand 77110