

## India, China, and the Rhetoric of “Energy Security”

By Anas F Alhajji\*

Energy security “fever” has reached China, India, and Japan. Unfortunately, it seems that those “eastern” countries do not know the meaning of this imported “western” concept. The importation of this one-size-fits-all concept has led to contradictions among policies on one hand and between policies and their objectives on the other. These contradictions have in turn led to policy failures, rendered the concept of energy security hollow, and jeopardized world energy security in the process.

Energy demand in Asia, especially in China and India, has increased substantially in the last decade. Although India and China are oil producers, their domestic production has not been able to keep up with the growing demand. The result is a growing gap that has to be covered by imports of oil, natural gas, and LNG. Since oil has dominated energy imports in recent years, oil dependence dominates the “energy security” debate in those countries.

To enhance energy security, Asian countries have concentrated mainly on “filling the energy gap” by securing upstream oil contracts around the world, encouraging domestic exploration for oil and gas, exploring the possibility of transporting natural gas via pipelines from Iran, the Caspian, Russia, and Myanmar, and securing long-term LNG contracts with Qatar, Iran, and Algeria. At the same time, government officials in several Asian countries have started talking about the “energy security” of their nations. Some Indian officials’ statements go so far as to call for elimination of energy dependence.

### Policy Contradictions

If the officials of those Asian countries are truly worried about “energy dependency” and “energy security”, then they have to answer the following question:

- Why do they make such dependency legal and binding by signing exploration and production contracts with some oil producing countries?
- Why do they sign contracts with the least secure countries in the world?
- How does investment in the upstream sector of some unstable oil producing countries that are as far away as Venezuela enhance the energy security of these Asian countries?
- How does the security of oil supplies differ from the security of the investments of Chinese, Indian, and Japanese oil companies in the oil producing countries, some of which are known for their political instability?
- Why was the visit of the Saudi monarch to China and India termed historic by the same officials who are worried about “energy dependency”?

### Ignorance, Political Posturing Or Both?

The contradictions between calls for “energy independence” of some Chinese, Indian, and Japanese government officials and the actions of their government-owned oil companies indicate that most politicians do not know what energy security is, which smacks of political posturing. Even if they are aware of its meaning, these countries lack the measures needed to assess and measure energy security. In most cases, they lack the timely data required to build such measures.

If it was not “ignorance” or “political posturing,” can officials explain why they are worried about “dependence” on oil supplies from the Middle East? Can Indian officials, in particular, explain why dependence on their historic and geographic partners in the Gulf is “dangerous”? Can they explain why, for example, the impact of 30% dependence on oil imports is different from 60%? Those in China and India who are worried about the increasing dependence on oil imports must answer the following questions:

- How can they explain the economic miracles of Japan and Germany despite their 100% dependence on foreign oil?
- How can they explain the impressive high rates of economic growth in their countries in recent years despite record-high oil prices?
- How can they explain this impressive economic performance despite record dependence on oil imports?
- And one more question: should the Saudis lead the way in eliminating “dependence” on Chinese, Indian, and Japanese products?

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