

OIL AND GAS: SPECULATIONS AND GUESSES

How it Happened and When it will End

by Nuruddin Mahmud Kamal

In the past three years, in seven workshops (seminars), the articulation of local agents have tempted some people to respond to the wild guesses on gas reserves. Most others have not been lured by the dream stories. There are many valid reasons: first is that natural gas is the only commercial energy resource available in the country, and second, a comprehensive reserve estimate has not been undertaken in the past eleven years, and the third, Petrobangla repeats itself by saying that the proven reserve (which can be recovered) is not more than 13 TCF, and fourth, only around seven per cent people of this country have access to natural gas. Consequently, it would be suicidal for a nation of 130 million people to even conceive an idea of gas-export now ...

The current production of 26.7 MBPD, which if continued any further might show a declining trend in price. Experts, however, opine that there is something hidden in the oil game!

Nonetheless, one would like to understand whether the recent OPEC move has anything to do with the Middle East and Israel conflict. No one really knows whether Al-Aqsa Intifada temporarily subdued because Yasser Arafat expressed his public approval of it on 17 November 2000 or whether the lull was only a short-lived one that was generated out of fatigue or it is a prelude to another Middle East war! Can anyone passionately think that the Palestinians are able to do anything more substantial than what they are doing when Israel is using helicopter gunship to kill them and destroy their homes; when the US supplies the arms and ammunition lavishly to Israel on the one hand and conducts magic shows at the White House or Camp David for the consumption of the rest of the world? US President Bill Clinton blew many whistles as self-appointed referee for the last eight years. I believe, not a bit will change when the new President W Bush enters the White House in the third week of January 2001, hopefully for a full tenure of four years.

According to the western media, the emergence of OPEC took place in the 1970s. The whole thing started on the morning of Yom Kippur, the Day of Atonement, October 6, 1973. The Synagogues were filled with worshippers. Suddenly in the quiet that enveloped, Israel was shattered by wailing siren, alerting their populace to the outbreak of the fourth Arab-Israeli war in 20 years. The bloody fighting that ensued for three weeks before the UN arranged a ceasefire was not just another bitter chapter in the story of confrontation on the Middle

East, rather a continued phase of conspiracy by the US government and the international oil companies.

In the story of unresolved confrontation in the Middle East, it quickly became an international energy war when, within two weeks, the OPEC unleashed its ultimate weapon, its power to manipulate world affairs through economic action. By cutting back almost a fourth of the production of the world's greatest known oil reserves, and embargoing oil shipments to some countries in the world a political and economic bomb was dropped whose spectacular fallout rapidly spread around the world since November 1973. The United States apparently showed her agonies, but as she maintained all through a strategic reserve of oil for emergency the embargo did not affect her policy.

Israel and the United States perhaps deserved a punch on their noses, which they have earned for themselves now. Would the Saudis ponder for a while and review what they are doing to their fellow Arab brothers, particularly the Palestinians? In the 1970s, a few in the United States and the European governments had taken the swing producer of oil, Saudi Arabia, very seriously. In fact the most conservative of Arab leaders, King Faisal of Saudi Arabia, was not known to have ever played international diplomatic poker but he continued to send tough signals through OPEC. His earlier warnings were grave although leaders of the other Arab oil states did not like him as being too pro-American. So the majority of the Americans in government and out had pooh-pooed such threats. They counted on the traditional lack of Arab unity, which ultimately made them victims of the misconception that the Arabs needed to sell their oil more than other people around the world needed to buy it. This was

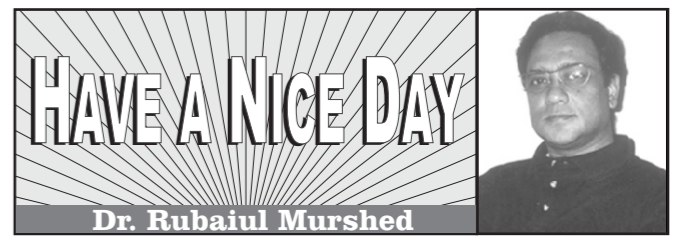
perhaps true in the late 1960s, but since the beginning of 1970 the whole ball game internationally had changed dramatically. The OPEC and the Arab countries, for a change, stood on their feet and straightened their backbone. It's time again they review their thought process.

Everybody at the time also knew that the greatest oil producer United States had grown fat and prosperous, feasting on an abundance of energy. They were consuming one third of the world energy, although they accounted for only around 6 per cent of the planet's population, a situation that exists even today after three decades. At that time the thought that the Americans might be forced to go on an energy diet was unthinkable, and it has now become bewildering after the Iraq operation and Soviet disaster. The US thinks that she can call the shot any time. Perhaps she can. But the world now understands that for meeting her zooming consumption and deliberate underdevelopment of her own gas and oil resources, predictions are that the US government would continue to import oil, gas and electricity, come what may. Their policies have not changed a bit for energy import and they conserve their own energy resources.

But the great countries with their experts working in the United States Geological Survey (USGS) do not hesitate to provide techno-economic solutions to Bangladesh to quickly overcome our poor economic conditions. Their goodwill ambassadors tried to sell their ideas to export gas to India. The plea was that the country has estimated reserve of gas as high as 80 to 100 trillion cubic feet (TCF) from 21 gas fields discovered in the past 45 years since 1955. The third promoter of the said story is the president of the American Chamber of Commerce

(AMCHAM), Dhaka. These "wholesale speculators" in gas reserves appear to have already penetrated deep into the bureaucratic tangle of Bangladesh, both in and outside the government. Some of these high-ups are propagating the benefits of gas-export through their unregistered retail shops. In the past three years, in seven workshops (seminars), the articulation of such local agents have tempted some people to respond to the wild guesses on gas reserves. Most others have not been lured by the dream stories. There are many valid reasons: first is that natural gas is the only commercial energy resource available in the country, and second, a comprehensive reserve estimate has not been undertaken in the past eleven years, and the third, Petrobangla repeats itself by saying that the proven reserve (which can be recovered) is not more than 13 TCF, and fourth, only around seven per cent people of this country have access to natural gas. Consequently, it would be suicidal for a nation of 130 million people to even conceive an idea of gas-export now without fully proving the

reserves as an international oil field practice. Thanks to the forward-looking attitude and approach of Bangladesh's Prime Minister that the country will not consider gas export until a 50-year demand is met upfront. She has already asked the concerned organisation to move into step one i.e., to undertake a scientific study in association with the United States Geological Survey (USGS) under the title Resource Assessment. The second step is to conduct a comprehensive Reserve Assessment through internationally reputed Certification Company because USGS is not known internationally as an expert body for commercial evaluation of natural resources. The second study relating to estimation of gas reserves is very critical for optimising use of Bangladesh's gas reserves. Being a very humble student of geological science, my sincere submission to the authorities is that for God's sake even out of sheer enthusiasm please do not confuse the USGS Report on Resource Assessment, expected by end January, and start preparing a summary for the Prime Minister for gas-export. This would be outrageous. Because Resource Assessment and Reserve Assessment are two different animals, perhaps of the same genus. As a cautionary reminder, let us recall: Mark Twain once commented that some people use statistics the way a drunk uses a lamppost not for light, but for support. The author is retired Additional Secretary and former Chairman, Power Development Board.



All health information to keep you up to date

Commonly asked questions

Eye hazard

People in Dhaka city regularly suffer from minor eye problems. Modern day living and awful working conditions cause many of these problems. Everyday our eyes are assaulted by a whole range of irritants such as a) air pollution, b) dusty atmosphere etc. Why do our eyes sometimes feel tired?

Our tears help our eyes to stay moist and healthy. But eyes can become tired and sore due to the drying effects of the wind, the sun, air-conditioning etc; this can be made worse when we don't blink often enough specially in front of a computer screen or television or during driving or when sewing or reading.

What should you do if you think you have an eye infection? Conjunctivitis and styes are two of the most common infections and here's how to spot them

Stye is a red uncomfortable lump near the eyelashes caused by a bacterial infection. Try bating the eye with warm water or contact an eye specialist (if not available, a graduate doctor) who can give you an eye-ointment to help.

Infective conjunctivitis is a very uncomfortable problem, caused by a virus or bacteria, which will make the eye red and watery. Visit your doctor or an eye specialist for advice.

And if it is neither of these above, or you are not sure of that, don't delay go to a doctor or eye specialist for advice.

Around the world

Good news for pregnant women

An 'inflatable belt' that goes around the abdomen may help women in labour deliver with greater ease. The new labour 'assistant' is specially designed to benefit the growing number of low-risk, first-time mothers who receive epidural analgesia for pain relief. These women often have prolonged labour, and the new belt, which inflates and deflates in sync with contractions, could speed delivery.

An American trial of the device, which began in Nov 1998, will soon be completed. Researchers hope to show that the belt decreases the need of instrument (forceps or vacuum extractor) or surgical (cesarean) births by 25 per cent.

Next: Before the doctor comes and other tips.

Where Tears Greet the Landing of Planes

Amid continuing isolation and deprivation, the opening of Baghdad International Airport brought hope at last for the beleaguered people of Iraq. It is not the busiest place in the Middle East but it is more than just an airport. Bringing planes into Iraq has become an act of defiance against Britain and the US. Gemini News Service visited Baghdad airport and sensed a change of mood.

Felicity Arbuthnot writes from Baghdad

FOR 10 years the people of Iraq have been deprived of the most basic essentials to sustain life as policies of the United Nations a body established to 'protect succeeding generations' have culled an average of 6,000 children a month. Yet the Iraq I have just returned from is an Iraq I did not recognise an Iraq with hope.

The opening of Baghdad International Airport in August and incoming flights are effectively eroding the embargo from within. "There are tears in our eyes every time a flight lands," remarked a friend. Isolation has been as grinding as deprivation.

There were tears too in the eyes of passengers on Olympic Airways flight 3598 from Athens to Baghdad as the captain touched down, welcoming us to Baghdad. It had been organised by a Greek non-government organisation, the former first lady of Greece, Margarita Papandreu, with the backing of the Greek government.

In contrast, British MP George Galloway's spectacular flight to Baghdad, which arrived two days earlier on 10 November, 2000, had anything but the backing of the British government. One can only speculate on junior foreign minister Peter Hain's reaction

when Galloway rang him in the early hours and said: "Good morning from Baghdad, Minister of State..."

Baghdad's airport is vast, marbled, efficient and very much open for business.

The hijacking of a Saudi Air flight in mid-October last year, brought to an end by Iraqi negotiations, was a public relations coup for Baghdad.

What is your most memorable moment of your ordeal in Iraq? asked a journalist of one of the passengers. "The tears in our eyes when we left," was the reply. Rumours are rife in Baghdad that the hijackers, who applied for political asylum in Iraq are living in considerable comfort.

The increasingly isolationist rhetoric of Britain and America no longer counts on the Baghdad street. Shop windows gleam, shutters are repainted, merchants rise at dawn to wash and seep. Travel agents are reopened after 10 years and Royal Jordanian and Aeroflot airlines are importing computers, polishing, and preparing for regular flights.

As always it is a looking glass world. Few can either afford purchases or travel, but hope is back. In the Iraqi Airways office in the Palestine Hotels is a trium-

phant timetable for flights to Mosul and Basra defying British and American planes routinely bombing the 'safe havens' in which the two cities lie.

Beneath the surface tragedy is unabated. "We shall visit another sadder place," said the Director of the Baghdad Children's Hospital, excellent English suddenly ambushed by emotion. Chronic shortage of diagnostic equipment, anaesthetics, blood, drips, pain relief and antibiotics meant that five-day-old Omar, with an internal obstruction was set to become another fledgling victim of embargo.

Another such place is the Basra Maternity Hospital, where birth abnormalities are recorded, exhibiting further horrors in the latest generation of new-horns, linked, it is thought, to depleted uranium weapons used in the Gulf war.

A tiny body with neither arms, legs, or head. A part formed face with one cyclopan eye and a nose at the hairline. "I want the world to hear my voice, to know what has happened here," says pediatrician Dr Jenan Hussein.

In the southern town of Basra, children in a school next to a barracks did not even look up or break from their playground

games as the sirens warned of a further attack. I joined the soldiers who pointed up to the returning planes, pinpricks in the stratosphere. They did not even cast a glance at their 1950s anti aircraft guns; there was no contest. Three days ago a school had been bombed, the people said. Three children were injured.

In Mosul in northern Iraq's Nineveh province I returned to Der Matti, a monastery perched high on Mount Maqlub. On the eve of the August 1998 solar eclipse, scientists and astronomers from throughout the Middle East gathered on the mount, the highest point in the region, to observe the sky. They were rewarded with the monastery being shaken to its foundations as British or US planes bombed the village below. The area is also a favourite for bombing flocks of sheep and child shepherds. Half an hour after we left, there were reports of another bombing. Amid all this, the airport remained a beacon of hope. There is a new phrase on the street: "For us the embargo is over." The author, a London-based journalist, writes on social, environmental and human rights issues. She has visited Iraq 23 times since the end of the Gulf war.

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