

# Australia siphoning off East Timor's oil and gas reserves

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ONE time mentor and champion of East Timor's sovereignty, Australia, is siphoning off of her oil and gas reserves in the Timor Sea in total disregard to UNCLOS 1982.

When Portugal effectively abandoned East Timor, (a colony since 16th century), located on the eastern part of Timor Island on Nov 1975, Indonesia controlling West Timor naturally entered East Timor just like Indian troops marched and occupied Goa in 1961, a Portuguese colony since 1510. Though none raised hue and cry against forcible occupation of Goa, including Portugal, yet she continued to support and train Fretilin separatist guerrillas all through the years and predominantly Muslim Indonesia miscalculated the range of activities of the so-called champions of independence.

Following the 1999 violence, Australia led the International Force for East Timor which restored security in East Timor and continued to play a leading role in the follow-on UN peacekeeping missions and had been the front-line support for her transition to independence. When it was clear that Indonesia's rule in East Timor was breaking down, the Australian government hatched farfetched plans to ensure dominance in the Timor Sea at any cost. The leading role played by Australia in the 1999 UN intervention into East Timor was actually aimed at ensuring that the tiny state remains firmly under Australian financial and military domination. Finally with strong help from Australia, Portugal and other western powers, Democratic Republic of Timor-Leste commonly known as East Timor was born in May 2002.

The unstable government in East Timor has always been dependent upon the troops, police and economic aid of Australia, which was provided mainly to exploit the dispute of East Timor's the Greater Sunrise Unit area and Bayu-Undan oil and gas fields and specially Joint Petroleum Development Area (JPDA) in the Timor Sea.

The position of the Timorese government, led by ex-Fretilin sepa-

ratist leaders President Xanana Gusmao and Prime Minister Mari Alkatiri, was that the question of the maritime boundary and sovereignty had to be settled as the basis for determining the rights of the two countries. Timorese government requested monthly talks on the sea boundary and a settlement within five years and the Australian government insisted on talks every six months and resolution in 99 years. For obvious reasons known to all, during the recent crisis in East Timor, Australia again responded quickly to the East Timorese government's request for assistance to help stabilise the domestic security situation.

Australia continued to put pressure on the new government of Timor which was facing lots of problems at home, to sign a new Timor Sea Treaty (TST) so as to facilitate Australia's control of the seabed resources. Despite the new government's almost total economic and military dependence on Australia, the then PM refused to sign away its right to negotiate new maritime boundaries. It however had to sign the TST in 2002 "without prejudice" to a final settlement of the sea boundary. At every meeting since then, Australia has blocked any such settlement. Among other things, Australia might have thought that a renegotiated border with East Timor may invite Indonesia to dispute the boundary with Australia established by the 1972 TST. Normally a dispute such as this could be referred to the International Court of Justice and the International Tribunal for the Law of the Sea for an impartial decision, sudden Australia's unilateral announcement in March 2002, that it would no longer accept maritime border rulings by these UN bodies, underscored the government's real intention as regards to their calculated move towards the oil and gas resources of East Timor. This factor in part also explains Australia's transition toward East Timorese negotiators and the callousness displayed toward the welfare of the population it claimed to have "liberated" in 1999.

In late 2003, East Timor demanded Australia stop pilfering the Laminaria-Coralina royalties until the boundary issue was settled. However, Australia ignored the

request as the field will be exhausted within a few years. Since the field began operating in November 1999, the Australian government has earned about US\$2 billion while East Timor has received nothing. In 2003 alone, Australia received US\$ 172 million in royalties from Laminaria-Coralinawtice as much as the entire budget of the East Timorese government. The most important point to note is that if the 1982 United Nations Convention on the Law of the Sea (UNCLOS) were applied correctly, the international boundary would be along a line equidistant from the land territories and the only fully operating field, the Laminaria-Coralina, would fall entirely under East Timorese control.

Australia maintained that she has been generous in its dealings with East Timor, as it has given East Timor 90 percent of the revenue from the Bayu-Undan field. However, if the UNCLOS rule were applied there as well, East Timor would have been entitled to 100 percent of the revenue from the Bayu-Undan field. Far from being generous, Australia has exploited East Timor's desperate need for revenue from Bayu-Undan to force the special concessions that had to be made over the much larger Greater Sunrise field. Australia stalled the necessary parliamentary legislation allowing the development of the Bayu-Undan until the last minute, threatening the whole project with collapse. This manoeuvre forced the East Timorese government to agree to the proposal of surrendering Greater Sunrise Area.

The East Timorese parliament, in an attempt to maintain some bargaining power, refused to initially ratify it. However, four years of intimidation by the Australian negotiators continued unabated unless East Timor agreed to sign a separate protocol covering the Greater Sunrise field. The latest agreement, however, concedes it under conditions where the Bayu-Undan fields will be exhausted in about 15 years.

The unresolved question of sovereignty also deprives East Timor of any part of the servicing and processing involved with the fields, all of which is now concentrated in the Australian city of Darwin. While there is little infrastructure in East Timor, sover-

eighty over the Timor Sea resources would have given the Timorese state a say in the rate of exploitation of the fields and led to some transfer of skills and employment. The Greater Sunrise protocol, signed by Australia and East Timor in 2003, and came into force in 2007, now provides the secure legal and regulatory environment required for the development of the Greater Sunrise oil and gas reservoirs. Under the TST, both Australia and East Timor are bound by the treaty to refrain from asserting or pursuing to rights, jurisdiction or maritime boundaries in relation to the other for 50 years.

The two governments have also undertaken not to commence any dispute settlement proceedings against the other that would raise the issue of maritime boundaries in the Timor Sea. Greater Sunrise area is apportioned on the basis that 20.1 per cent falls within the JPDA and the remaining 79.9 per cent falls in an area to the east of the JPDA over which Australia exercises exclusive seabed jurisdiction. This apportionment reflects the geographical location of the resources. Due to the agreed resource split in the JPDA, under this protocol East Timor would receive tax revenues from 20.1 per cent of the Greater Sunrise resource and Australia would receive tax revenues from 79.9 per cent.

According to the maritime experts, this one-sided deal will be worth in the region of an additional billion dollar to East Timor. However, its main consequence is that Australia has succeeded in having East Timorese government drop its claim of sovereignty over key resource-rich areas of the Timor Sea for generations to be commercially exhausted.

Finding no other option from her one-time mentor who helped her to secede from Indonesia, she has now agreed so for a relative peanut, and given that the total royalties from the Greater Sunrise field over its projected life may reach US\$ 38 billion, despite the field lying much closer to its territory than Australia.

Under the new agreements, Australia will continue to exercise continental shelf jurisdiction outside the JPDA and south of the 1972 Australia-Indonesia seabed boundary. East Timor will be able to exercise



fisheries jurisdiction within the JPDA. A Maritime Commission will also be established to enable high-level dialogue on a range of important issues facing Australia and East Timor in the Timor Sea, including the management of security threats to offshore platforms and cooperation in managing fisheries resources.

It has now been reliably learnt that the claim of the Australian government to have sent thousands of troops to East Timor for purely humanitarian purposes is not true, rather it was a scramble for oil and gas. The signing of the two Timor Gap documents and the presence of 4,000 Australian military personnel in East Timor clearly demonstrates their real mission about the urgency of protecting Australian corporate and strategic interests in the Timor Sea.

Among the most revealing aspects of recent events in East Timor has been the almost complete silence of the

Australian media about the two agreements signed by the Australian government to secure control over the multi-billion dollar oil and natural gas reserves beneath the Timor Sea. No headlines, photographs or commentary greeted either signing ceremony or the official announcement in each other's capital. The recent announcement clears the way for a \$1.4 billion project in the Bayu-Undan field, which is about 500 kilometres north-west of Darwin, and 250 km south of East Timor.

It is apparent that Australian policy has shifted from being the West's most ardent defender and champion of the right of the Timorese people to self-determination. Even the form of the Timor Sea treaties highlights the colonial character of the new arrangements. The initial signatory for East Timor was the UN Administrator, who held complete power over the former Portuguese

colony and the treaties will legally bind any incoming East Timorese government, and in spite of some lukewarm efforts by the Timorese government this was the culmination of more than four years of bullying that the government of Australia finally ensured effective Australian economic and political control of the offshore border region and the wealth beneath its waters.

As for the Timorese masses, in whose name Australia has intervened, they have had no say in the arrangements whatsoever. All in all, the East Timor operation has provided a lesson in the modus operandi of the new "ethical" foreign policy proclaimed by the Western powers as the basis for their interventions. Under the pretext of a sudden concern for the lives and well-being of the refugees and the oppressed, a new colonialism has taken place, driven entirely by thirst for oil and gas revenues as well as other natural resources and strate-

gic advantages. Six years after East Timor's so-called "liberation", 40 percent of the population still lives on 50 cents a day or less, life expectancy is just 40 years and maternal mortality rates are among the highest in the world.

Increasing dependence on Australia for food, safety, divided politically and with an economy in tatters, analyst believes that East Timor may be on a path to becoming a failed state. The siphoning off of the lion's share of the region's oil and gas wealth by Australia will perpetuate this suffering for many years to come.

Bangladesh should draw some lessons from the happenings in Timor Sea as we are yet to demarcate our maritime boundary with both Myanmar and India and claim sovereign rights over the gas and oil reserves spreading on an area of about 2,07,000 sq km in the Bay of Bengal.

The author is a free lancer.

## Russia asserts its power: A new strategy in the offing?

President Putin has reversed Yeltsin's kowtow policy towards the US. Putin can afford to do it because petrol and gas prices are high and Russia has become much richer than before. Furthermore, its 8% per cent economic growth brings back affluent life style to Russians, which was not imagined before.

BARRISTER HARUN UR RASHID

IT appears that Russia is determined to demonstrate its power to the West. During the regime of Boris Yeltsin, Russia was taken for a ride by the West, especially by the US. While Russia was reducing its arsenal of arms, the US was making new lethal weapons.

President Putin has reversed Yeltsin's kowtow policy towards the US. Putin can afford to do it because petrol and gas prices are high and Russia has become much richer than before. Furthermore, its 8% per cent economic growth brings back affluent life style to Russians, which was not imagined before.

With sufficient money in its coffers, Russia is more confident than ever to demonstrate its power. Putin (born in St. Petersburg) does not forget the Russian glorious past. Peter, the Great ruled Russia and was respected and feared by European monarchs. The Soviet days equally matched the power of America during the Cold War.

In space research, Russia was much ahead of America in the 50s and 60s. It was Russia who first sent sputnik (an artificial satellite) into space in October 1957. Again it was Russia that sent the first man (Yuri Gagarin) in April 1961 into the space. These were creditable achievements and the Russians were proud.

Against this background, on January 11, 1962, US President Kennedy announced a vast increase of space programmes and proposed to land a man on the moon, by end of the decade. In July 1969 Apollo-11 astronauts realized Kennedy's dream.

**Putin's Strategy**

President Putin wants to put Russia again on the map as a great power. He reportedly said: "Russia has a very important goal which is to retain leadership in the production of military equipment." The new emphasis on Russia's military prowess comes against American arrogance of power since President Bush came into the office in January 2001.



During the month of August of this year, Russia has demonstrated its power in many directions.

First it sent two sub-marines to plant a Russian flag on the bottom of the Arctic to prove that the North Pole belongs to Russia on the ground that it is an extension of Russian submerged territory (continental shelf).

Second, Russia proposed to restore permanent presence in the Mediterranean using the Baltic and Black Sea fleets, by mid August. It also wished to send its ships to Syrian Russian naval base that has been empty for years.

Third, Russia has also resumed long-range missions by bomber aircraft capable of hitting the US with nuclear weapons. Patrols over the Atlantic, Pacific and Arctic resumed in the middle of August of this year since 1992.

Fourth, Presidential aides hinted on 21st August that Russia could soon resume production of Tu-160 and Tu-195 nuclear bombers, now that the aircrafts are again flying "combat missions." The bombers could be used as a

means of "strategic deterrence". Russia also would resume large-scale manufacture of civilian planes.

Fifth, new Russian technology on display includes the S-400 missile and aircraft interceptor system, similar but allegedly better than the US Patriot and a lethal new super-sonic cruise missile the Meteorit-A. Russia used the air show held at Zhukovsky, a former Soviet airbase on the leafy outskirts of Moscow, to show off its latest generation of jet fighters.

These included an upgraded Sukhoi jet, the SU-35, which has a new engine and radar system and a revamped "vector thrust" MiG fighter, the MiG 29-OVT.

Finally, Russia (a veto-wielding member of the UN Security Council, is asserting its power on many international issues with the US. Russia did not agree with the US on Kosovo's independence, opposed the installation of US defence missile system in the Czech Republic and Poland. It remains uneasy on US stance on Iran's nuclear proliferation. Contrary to US wishes, it provides

military weapons to Syria.

**Conclusion**

It may be recalled that after the collapse of communism in 1991, Russia's impoverished government of Yeltsin cut drastically its spending on air craft industry and started to fall behind the West in the design of aircraft. A Moscow defence expert said that Russia wanted balance and wanted to do this as cheaply as possible with an eye on export.

President Putin believes that the Bush administration took Russia for granted on international issues but time has come for Russia to show to the US that unilateralism in international affairs is not acceptable and multilateralism has come in place in resolving all global issues.

Some observers say that the Cold War has not yet come and at this point of time, Russia simply wants that its views are counted and respected by the US and the West.

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## Bullets vs. Ballots: Foreign policy decision-making in China and India

DR. BHARTENDU KUMAR SINGH

THE recent statement by a prominent politician, that Prime Minister Manmohan Singh would have been shot with a single bullet for "bluffing" the nation over the Indo-US nuclear deal had he been the premier of China, has added a new dimension to the hotly-debated nuclear deal. Keeping aside the appropriateness of such a statement coming from a seasoned politician, it draws attention to the arbitrariness and the absence of accountability in the Chinese foreign policy decision-making.

China, yet to undergo a democratic transition, is an erratic state with a frustrated society suffering from what Lucian W. Pye has called 'emotional quietism'. On vital issues of national and international importance, the Chinese central authorities take all policy decisions by themselves and issue orders to a passive society. Very little space exists for non-state actors, research institutions and even media to play a constructive role and provide feedback mechanism to the government. Instead, they are forced to disseminate official views as public opinion and sell it to an economically rich but 'politically impoverished' society. Of course there is no question of an opposition political party. Therefore, the possibility of any action against say the head of the Chinese

Government, as suggested by a leading political authority in Delhi, is both ludicrous and naive.

The arrogance and arbitrariness of the Chinese political elite is particularly noticeable in foreign policy issues. Since Mao's days, it has been the privilege of a select few to decide on key issues. A classic example is China's decision to attack India in 1962. For a long time, scholars like Neville Maxwell, supported by some elements in India, squarely blamed Nehru for his so-called forward policy that led to a war between the two countries. But recent researches prove beyond doubt that it was Mao's decision based on personal calculations to raise his own profile in international relations.

The absence of democracy and transparency aggravates the problem of arbitrariness in China. For example, the People's Liberation Army (PLA) exercises an extra-ordinary influence on the Chinese foreign policy decision-making. Many of its generals hold senior positions in the Chinese Communist Party (CCP) and the government. Partly for this reason, China has an aggressive strategic culture and a history of wars and skirmishes with its neighbours. Perhaps, the PLA's belligerence also explains the protracted negation of the Sino-Indian border dispute without any resolution in sight.

Such arbitrary and extra-

constitutional influences are difficult, if not impossible, in Indian circumstances. Call it the bane or boon of the Indian democracy, a plethora of views are engendered on any issue of national importance. While the standard models of decision-making process such as rational, bureaucratic or organizational model may or may not be applicable in all cases, the different prisms used to judge and debate issues help in the emergence of a consensus opinion and ensures greatest happiness of the greatest number. This is more so in the realm of foreign policy that is characterized by consensus and compromise. On all foreign policy issues concerning India such as improving relations with its neighbours, the great powers, non-alignment and so on, all political parties have broadly toed a common line, more so when they were in power. When the Indo-Bangladesh Water Treaty was being negotiated by the Deve Gowda government, the BJP opposed it. It was, however, the BJP-led NDA government that implemented the treaty and ensured one of the best phases of Indo-Bangladesh relations. Similarly, it was the NDA government that punched the nuclear apartheid against India in late nineties, then not appreciated by the major opposition parties.

Through the Indo-US nuclear deal, the UPA government has only given finishing touches to a process started by its predeces-

sor. It is definitely not an arbitrary and unilateral decision, as has been alleged and as the Chinese do. The issue was there for a long time in public domain and had been in the limelight ever since July 2005. All mainstream parties would have taken similar steps had they been in power. Prime Minister Manmohan Singh has managed a deal that is rational, fair and just and carries forward the consensus tradition in Indian foreign policy.

China is a role model for economic reforms and there are certain things that a country can learn from it. But this is also a country that suffers from democratic deficit having spillover effects on many other things such as decision-making. As long as China remains an authoritarian country with one party system, decision-making would continue to be centralized, non-transparent, arbitrary and a privilege of the few. Purges and executions could be a logical corollary. It cannot be a match to India's pluralist-democratic culture and a transparent way of making decisions. India need not take a lesson in decision-making from China. Hence, while quoting examples from China, our politicians should be cautious and admire it for the right reasons. Statements that show their ignorance about China or any other country will only cause them embarrassment!

By arrangement with IPCS, New Delhi.

## Naval Headquarters' clarification

The Daily Star received a clarification of the Naval Headquarters (NHQ) through the ISPR on the article 'Decommissioning and re-commissioning of a navy ship' published in its 'Strategic Issues' page on 26th August.

We publish below the clarification along with the author's reply:

The attention of Bangladesh Naval Headquarters has been drawn to the article titled 'Decommissioning and re-commissioning of a Navy ship' published in the Daily Star on 26 August 2007. After going through the article, it is revealed that some of the issues pertaining to BN Ship KHALID BIN WALID written by a retired naval officer who is a freelance writer namely Commodore M Khurshed Alam, ndc, psc, (Retd) is ambiguous and not factual. The article requires clarification and consent of the relevant service (Bangladesh Navy) prior to articulation. Our office reiterates its commitment in favour of writing unbiased and unexaggerated topic on defence matters. In this context, it is to remind you that the cost estimation of the missile system of BNS KHALID BIN WALID is not

correct as stated by the writer in his article. We would like to inform you that NHQ does not agree to some of the personal opinion of the writer as stated in the article. It may be further mentioned that the freelance writer was sent on premature retirement by the former government owing to definite allegations related to misappropriation. Hence, all the questions raised by the writer in the article are purely grievance oriented pointing towards the authority (former government) which was responsible to sack him. Therefore, it would be prudent to verify (from the respective service) any such content prior to articulation. This kind of ambiguous information without verification is misleading and is bound to create confusion about our patriotic defence force.

**Author's reply**

The clarification issued by ISPR quoting NHQ titled "Clarification of Navy on decommissioning and re-commissioning of a navy ship published on 26th of August 2007" has not contradicted any of the irregularities and breach of rules and regulations in the whole episode as pointed out in the article and hence accepted

to be facts.

The clarification states that some of the issues covered by the writer are "ambiguous and not factual which requires clarification and consent..." but it has not been pointed out as to what is ambiguous and not factual about the issues dealt with in the article.

Other than the price of the missile, which the writer has mentioned as "alleged", the NHQ has not produced any documents or cited any rules or regulations in their clarification to prove that the issues discussed were baseless or intended to mislead.

Since most of the matters discussed are related to the existing Rules and Regulations of the Bangladesh Navy, it is ridiculous to say that these were the personal opinion of the writer. It is not understood how the NHQ can term these as personal grievances of the writer aimed at the former Govt., when some of the issues also relate to the present Govt., like renaming the ship and not investigating non-function of newly acquired missile system and why the ship was decommissioned. Thus it is obvious that the aim is to

vulify the writer rather than to uphold the Navy Rules/Regulations.

As for the NHQ allegation of misappropriation against the writer, it is totally unfounded. The writer did not face any court of enquiry nor has he been ever charged by any other organization of the Govt. Rather he was appointed chairman of Mongla Port Authority soon after his retirement, which clearly belies the claim of the NHQ about the grounds for his retirement. The Gazette notification issued by the Govt. / Ministry of Defence in 2002 also does not support the NHQ allegation.

It is evident that the clarification has been issued to defame the writer personally and he reserves the right to due legal process unless specific document to support allegations of misappropriation are produced or an apology is tendered withdrawing such allegations.