

In the Meantime, on the Great Exchequer ...



venient “regime change”, just where and how one needs it...

But it may arguably be a case of too little, too late, because Russia and China – moving sometimes in unison, and sometimes in competition to each other – are already acting pretty fast to accumulate long-term commitments of oil and

One of the most annoying aspects of the political and strategic analyses being put forward by left-wing commentators is their petulant insistence in seeing each and every move by Washington or/and other global strategic players, with this or that “willing coalition partner” in their trail, through the prism of the global struggle for the control of the world’s energy resources. Yet as annoying such a posture might be, on occasions one wonders...

To start with, the US has obtained (by paying through the nose) the right to continue using the key air base at Manas in Kyrgyzstan. Either I was dead wrong in my earlier assessment in March of a clever Russian manoeuvre, and it all was simply a matter of money, or Kyrgyz President Kurmanbek Bakiev received not only four times the previous rent, but also an offer he couldn’t possibly refuse. At the same time, and although the continued availability of Manas makes it somehow redundant, the US has also obtained the right from Russia to route resupplies bound for Afghanistan through Russian territory, including military items. One would tend to suspect that the Medvedev/Putin team did not grant such a concession out of sheer kindness, and there might be interesting speculations as regards the price the US did agree to pay – with the so-called “Third BMD Site” in Poland and the Czech Republic being a very obvious bargaining tool.

Now needless to say these developments do not per se offer any guarantee that the ongoing US-led military operations in Afghanistan could lead to sort of an acceptable final outcome (there no longer seems to be any talk of “victory”) in the reasonable future. However, they do establish the indispensable pre-conditions for ISAF and “Enduring Freedom” to continue – at least as long as the Western public opinion can be persuaded to accept and Western Treasuries can finance them. And at this point in time, and irrespective as to whether or not one subscribes to the “Pipelineistan” theory¹, it is very, very difficult not starting to suspect that the long-standing plans for a \$2 billion, 800-mile natural gas pipeline from Turkmenistan to Pakistan via Southern Afghanistan might have something to do with our stubborn decision to maintain at least a

degree of direct or indirect control over Afghanistan, not matter what.

Moving to a different corner of the Great Exchequer, on 13 July, representatives of Austria, Hungary, Romania, Bulgaria, and Turkey officially signed the deal to authorise construction of the “Nabucco” pipeline, that is supposed to eventually bring natural gas from Central Asia to Europe. Although “Nabucco” still does not have a guaranteed or even promised supplier, and although it would in any case provide a mere 10% of Europe’s gas needs, if and when it is completed, the signature of the agreement does represent an exceedingly important development – not for the future of European energy supply, but rather in terms of international politics.

It so happens that the US was represented at the signature ceremony by its Special Envoy for Eurasian Energy, Richard Morningstar. The fact that Washington has a “Special Envoy for Eurasian Energy” in the first place, and that he had to be present at the signing of an agreement between European countries, might sound perplexing at first glance. But there is actually nothing to be perplexed about. “Nabucco” is a key element in the long-standing US plan – a plan that is backed to a point by the EU as such, but not by all individual EU member countries – to route oil and natural gas out of Central Asia to customers in Europe and Asia by studiously bypassing Russia (and Iran) both as a supplier and a transit country.

Within this framework, the signature of the “Nabucco” deal was made possible by the sudden volte-face by Bulgaria. Bulgaria, although a member of the EU and NATO had previously committed itself to the rival Russian-backed “South Stream” project, which on the industrial side is led by a consortium of Gazprom and Italy’s state-owned ENI. But within barely a week from the 5 July general elections which gave power to ex-bodyguard Boyko Borisov, Bulgaria reneged on its earlier commitment to “South Stream” and rather signed for “Nabucco”. Sofia’s move not only enables “Nabucco”, but also automatically cripples “South Stream” by depriving it of its planned landing site across the Black Sea. Now talking about a very con-

natural gas supplies from the Central Asian “stans”. To quote but the most recent developments, in June, China loaned Turkmenistan \$3 billion, which will give it a stake in the Turkmen’s enormous Yolotan Osman gas field. The loan also benefits Moscow by underwriting the Russian oil company Rosneft, and the pipeline builder, Transneft. By the same token, Kazakhstan got a \$15 billion loan, giving China a 22% share in Kazakh oil production. Beijing is planning to build a 4,000 mile pipeline from Turkmenistan ad Kazakhstan to Guangdong Province. Russia on its part has signed a \$25 billion oil agreement that will supply Beijing with 4% of its needs through 2034, and is reported to be offering premium prices for long-term contracts for natural gas out of Kazakhstan, Uzbekistan and Turkmenistan as well as oil from Azerbaijan – not because it needs these supplies, but just to prevent them from being diverted towards Western contracts. Taken in unison, these moves have the potential for bankrupting the western-controlled BTC pipeline that runs through Georgia, and would leave “Nabucco” and the notional trans-Afghanistan pipeline without any gas to transport.

It is arguably still too early to assess who is outmanoeuvring whom on the “Great Exchequer”, because the West maintains two important trump cards: a far more substantial financial muscle that Russia’s, despite the ongoing crisis (China may be a different matter, though), and its military superiority. Be this as it may, I’m afraid we have to come to a pretty melancholic conclusion: yes, if it’s all about oil, then certainly quite a large portion of it is.

¹ The term, “Pipelineistan” was first coined by Pepe Escobar writing for “Asian Times”.


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