



## China 4 Japan 3

By CK Wong 2005.09.08

<http://www.ck-wong.ca/China/China%204%20Japan%203%2020050908.pdf>

### Introduction

China and Japan have been economic and business partners yet competitors in resources and the world stage. On the world stage, Japan's world presence has been stepping up by sending her defense troop to Iraq. Many debating that it violates the Japan charter while other says it is time to revalue Japan's role on the world stage.

Japan has been a dominant oil consumer (3<sup>rd</sup> after US and China) due to next to zero reserve (59 million barrels proven compare to a daily consumption of 5.73 million barrel per day in 2003). Its energy situation is far worst than China when her major Middle-East source declining. Now it is the time to get more for the future aggressively. The two Asian giants are wrestling for oil.

### Japan's Oil Road

Supported by the government, Japan private companies have diversified the oil hunt approaches. Japan attempted to drill at Saudi. However, Japan's Arabian Oil Company lost its drilling right at Neutral Zone ends the Persian Gulf oil program. When all Arabian concession expired in 2003, Japan's only access to the Arabian oil is limited to oil supply contract.

Japan has participated in the development of the huge Iran onshore Azadegan oilfield which has the proven reserve of 6 billion barrels. This development will go into production in 2007, with peak production of 260,000 bbl/d reached by 2012.

In 2000, Japan's Inpex purchased a 7% stake in Kazakhstan's offshore Kashagan field in the Caspian Sea

The latest stint of Japan oil hunt is to tap into the Russian oil after the disintegration of the Soviet. The plan was to build a 4,130 kilometre oil pipeline from Taishet in eastern Siberia to export terminal on the Pacific coast at Nakhodka by passing China. In February of this year, it was considered done deal but in April the deal turned sour.

### Greats Mind Think Alike

It is important to review Japan's oil road because China follows exactly the same path with better success. China gains oil access to Persian Gulf, Iran, Kazakhstan and Russia. Russian President Putin (a business man) announced that the Siberia pipeline will go to

China's oil centre Daqing. The Japan pipeline will be built later. The score for first half is 4 to 3. I am not optimistic to see Japan to win the match.

When Japan befriend with Iraq, Zoelick did not threat Japan to stop. When China affiliate with Iraq, it becomes a major concern. I would interpret that Japan's affiliate to Iraq is OK but not China. Although China may export nucleus bomb technology to Iraq there is no guarantee that Japan does not export the nucleus reactor technology to Iraq which becomes the basis of nucleus bomb.

This allegation results the cancellation of China President Hu Jintao to US. Now Hu visit Canada and Mexico has been further emphasized for the friendship with China. American is singling herself dangerously.

It should be noted that while Reuters reported that Hu cancels his visit to see Bush but China Daily continues to use the official reason that Bush is "busy overseeing the response to Hurricane Katrina". May be it is the Katrina created by Zoelick.

## Resources

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