

China's Energy Security and the Taiwan Factor

China, the second largest energy importing country in the world is expected to exceed 100 million tones of oil import, i.e. about 35 percent of its domestic consumption by the end of the year 2004. Looking at this from a strategic platform, presents a frightening image about the rise of oil demand in Asia, with the major oil consumers in the region drawing notable quantity of the world oil production. Increase in demand for oil shows, other than the “economic growth”, a danger that has been haunting the import dependent countries in the post-Gulf War, post-Saddam period, i.e. a possible energy supply interruption due to the political volatility in the Middle East. While the major energy importers in the Asian region have been busy in diversification of the energy resources and making other attempts to secure energy supply, many political and economic interests of these countries have become less important. This shows how ‘energy security’ has become the prime concern in the national interest of any given import dependent country.

The ‘energy security’ and ‘Taiwan’ are two major issues of concern in today’s China. The dependency on imported oil plays an undeniable role in keeping the dragon benign in its approach to domestic and international affairs as well as in the high degree of cooperation with its counterparts in the world politics. ‘China's planned aggression on Taiwan’ has to be analysed in a framework of its energy dependency. To a great extent the energy factor has been slowing down China's ‘forceful unification’ of Taiwan with mainland. What China has been claiming as the ‘peaceful transformation’ is an attempt to interpret and project its weakness to assert itself in the international and domestic issues as an intentional approach. If China were not an oil dependent country, it would never have shown any accommodation or cooperation in most of the issues like Taiwan. We need to look back to the Tianan’men Square incident to learn how would China have acted on issues of importance. China's interest to resolve the border issues with its neighbours, especially with Russia and Central Asia in the post-Soviet era was not only due to its intention to develop economic and trade relations, but also due to a long term vision to open its doors to gain access to the energy facilities in these countries. The world has witnessed the growth of Sino-Russian relations and emergence of ‘constructive friendship’ and ‘strategic partnership’. But in turn these have played only a low key factor in China's access to Russian energy market, the fact ultimately asserts China’s dependency on the Persian Gulf’s energy resources for the foreseeable future.

If China seems to be panicky about its growing oil dependence, it is mainly due to the issue of ‘oil security’ being an impediment to assert its domestic, regional and international interests. According to a report in the Taipei Times (‘Energy and Chinese Aggression’ by Paul Lin, 21/08/04) The resources used by China for the creation of US \$ 1 of GDP are 4.3 times higher than in the US, 7.7 times higher than in Germany, and 11.5 times higher than in Japan.’ This trend signifies that oil crisis of any degree would irreparably affect China. In this context there would be serious repercussions on China if it would carry out any aggression on Taiwan issue. The big powers already see it as an

issue to keep China engaged with. The US sees this issue as the most effective way to harness China in the Asia-Pacific region and so it would be America to respond immediately to any developments on this issue. As of the present US influence in the Asia-Pacific region, it would be able to block any sea route of supply of oil to China. Strait of Hormuz and Strait of Malacca being the bottlenecks in the channel, any US action against China would begin from these areas. However, well aware of this possibility China has been looking for a secure energy supply route avoiding the Strait of Malacca by negotiating for a canal across the Isthmus of Kra in Southern Thailand. This route or any other possible land transit through Myanmar would avoid Strait of Malacca and reduce the distance by more than 1000 kms of sea route. Though China's long time ally- Pakistan can possibly provide land energy transportation channel US influence on Pakistan would adversely affect the same.

Following the recent elections in Taiwan the issue seems to have warmed up in the Chinese side. This is followed with Chinese officials asserting the unification process as a necessary part in the process of China's development. What the experts have been unclear about this issue is the time frame for the 'unification process'. While there have been debates on possible unification by the year 2008 or 2012 or 2020, no practical clarity regarding this have come up to light. Moreover the democratic polity of Taiwan would also pose a threat to the so called unification. It is becoming more and more evident that neither Taiwan would ever be ready to go along with PRC's plan nor China would be able to use power against Taipei.

In the post-Soviet world though China was keen in promoting trade and economic relations with the countries in the Asia Pacific region and arriving at consensus with the neighbours in the border issue, this alliance could not contribute much to China's quest for energy security. This was an attempt to create a *pre-emptive encirclement* by its neighbours against any kind of US hegemony over China or over the region. Moreover China does not possess sufficient military capacity to protect the energy supply channel from Persian Gulf to its coast. As a result any shortages or supply interruption of oil import may pressurise China to make compromise on issues such as Taiwan. China's long term negotiation for the Siberian Oil pipeline from Russia and attempts to penetrate into the ASEAN community and create a joint forum for energy security (ASEAN+3) etc are steps taken by PRC towards energy security. But until and unless China achieves supply security of oil from the Middle East, or Russia or Central Asia, any possibility of any aggression on Taiwan could be ruled out.

Nandakumar J
The Institute for Defence Studies and Analyses (IDSA),
Block #3, Old JNU Campus,
New Delhi 110 067,
India.
email: nanduj123@rediffmail.com