

India-Sudan: 'Strategic Energy Cooperation'

by Ramtanu Maitra

For several months, New Delhi has been pursuing vigorous diplomatic initiatives in its quest for national oil security, by seeking cooperation in Sudan's petroleum sector. It achieved a major success last June, when the public sector behemoth, Oil and Natural Gas Corporation Videsh (ONGC Videsh), bought 25% equity from Canada's Talisman Energy, Inc. in Sudan's Greater Nile Project. Later on, India acquired stakes in Sudanese projects from the Austrian oil and gas group, OMV.

On Dec. 8, Sudanese Energy Minister Awad Ahmed al-Jazz told Reuters that ONGC Videsh would be awarded two projects in Sudan worth \$750 million. "One is an oil-products pipeline from Khartoum to the sea-port," he said. "The other is to upgrade the Port Sudan refinery. By January, we hope to conclude [the allocation of] the two projects."

Sudan is estimated to have some of the largest oil reserves in the world, and it could prove to be a major source for energy-starved India, which depends on imports for 70% of its requirements. Indian Petroleum Minister Ram Naik told reporters that the Vajpayee Administration has been encouraging state-run oil firms to take stakes in oilfields abroad, to cut the country's import dependence.

Sudan's Minister al-Jazz and Indian Oil Minister Ram Naik issued a joint statement saying that the two countries would form a joint working group to consolidate "strategic" energy cooperation. Naik said he would travel to Sudan in January 2004 for a meeting of the group. Meanwhile, New Delhi announced that Sudanese President Omar Hassan Ahmed al-Bashir has accepted an invitation to visit India, extended to him by Indian President A.P.J. Abdul Kalam during the latter's Oct. 22-24 visit to Sudan. The date of President al-Bashir's visit to India has not been announced.

Lessening Oil-Dependence

Sudan has emerged as a third major focus, after Vietnam and Russia, for India's state-owned ONGC Videsh, which is also exploring in Libya and Syria, and holds disputed acreage in Iraq. The company says the increased investment in Sudan is part of a wider plan to raise India's oil reserves from 6 billion tons to 12 billion tons over the next two decades.

India's share from oilfields abroad will spiral more than threefold, to 13 million tons of crude by 2007. India imports 78 million tons of crude annually, while its domestic produc-

tion stagnates at around 32 million tons.

The Indian investment in Sudanese oilfields, however, has not met with the approval of the entire nation. Writing for *The Hindu* on June 24, 2003, analyst Ninay Koshy claimed that the Indian government has committed a grave error politically, ethically, and even from a business point of view. He pointed out that Sudan has endured the longest civil war on the African continent, with 40 years of intermittent fighting. More than 2 million people have died in the last 19 years, and twice as many have been displaced, making it one of the greatest humanitarian disasters of our lifetime and one of the least, if not the least, reported. Koshy is also of the view that oil, which is located in southern Sudan, is the *raison d'être* behind the civil war.

On the other hand, there is no dearth of efforts to resolve the conflict. As of now, peace talks between Sudan's National Islamic Front government and the south's Sudan People's Liberation Army Movement are in progress in Kenya. Although, skeptics claim that the talks could fail, U.S. Secretary of State Colin Powell does not think so. On Dec. 10, Powell told a meeting of African officials: "I am optimistic that it is possible to achieve the comprehensive settlement by the end of the month. . . . The United States will do everything we can to help the parties achieve that outcome. It is a moment that must not be lost."

Peace and Cooperation

If peace finally descends on Sudan, it is evident that Sudan would advance rapidly in economic areas, and India is positioning itself to play a major part in that. With fertile lands, a highly educated group of people, and with huge mineral wealth, the only ingredient Sudan lacks from becoming a powerful nation is peace, New Delhi believes.

This was the theme of President Abdul Kalam's visit to Khartoum in October, the first by an Indian President in 28 years, since Fakhruddin Ali Ahmed went there in 1975.

Addressing the Parliament of Sudan on Oct. 22, the Indian President said: "India and Sudan can work together in building capabilities in various areas in the oil sector and exploitation of other natural resources that could fuel economic growth of the North African country.

"The time has arrived for our two nations to consolidate these developments since Independence and forge stronger bonds between planning and implementation institutions, public and private of both nations, to bring prosperity, happiness and freedom from insecurity to the peoples of both the countries," President Kalam added.

During the Indian President's discussions with President al Bashir and other Sudanese officials, scientists, and engineers, the two sides exchanged views on India's vision to become a developed country by 2020, and on Sudan's 25-year strategic plan for development. Both commended ongoing efforts to realize those lofty goals and the need to share experiences and insights.