

The accident at Japan's Fukushima Daiichi nuclear complex earlier this year has reignited an old debate about the future role of nuclear power in the global energy mix. The repercussions of the Fukushima accident are likely to be felt for quite some time with some observers claiming that the accident has put an end to the 'nuclear renaissance'. Malcolm Keay is of this view arguing that 'although Fukushima may not have the traumatic impact of Three Mile Island or Chernobyl, it is likely to be another turning point on the winding road of nuclear development – renaissance postponed, at least for the foreseeable future.' But not everyone agrees.

Malcolm Grimston calls for some caution arguing that 'striking as the similarities may seem, there are key differences between the situation post-TMI and Chernobyl and the position post-Fukushima which suggest that the response may not be as damaging for nuclear construction. He concludes his article with an optimistic note arguing 'that the prospect for good science-based policy to get us out of the two-pronged resource and climate crisis may be brighter than perhaps seemed to be the case before Fukushima'. He cautions against the debate being hijacked 'by the theological and inflexible extremes from either side of the nuclear debate'.

According to Gordon MacKerron, 'the basic message emerging from

all three accidents is that from either internal (TMI and Chernobyl) or external (Fukushima) initiating events, the value of a highly capital-intensive investment can be written off in a matter of hours'. Fukushima therefore reveals clearly the 'financial and economic risk of a nuclear investment, and one which hardly applies at all to alternative electricity generating options'. Gordon MacKerron points to a clear divide in prospects of nuclear power, with new nuclear power failing to increase its share in countries in which states would not guarantee a minimum level of return. In contrast, countries in which 'nuclear is regarded as a strategic investment then the delay and discouragement caused by Fukushima may be much more limited'.

CONTENTS

Nuclear Energy post Fukushima

Malcolm Grimston
Gordon Mackerron
Malcolm Keay – page 3

Interconnecting the GCC States

Laura El-Katiri – page 10

Oil and Gas Resources

Bassam Fattouh
James Henderson
Juan Carlos Boué – page 12

Asinus Muses – page 20



On 20 April 2011, the Gulf Cooperation Council (GCC) moved one step further in its efforts towards greater regional cooperation by inaugurating the UAE's link to the GCC Interconnection Grid which interlinks five of the six GCC countries' national electricity networks. In this Forum, Laura El-Katiri evaluates the potential economic and political impacts of the GCC Interconnection Grid for the region. She notes that although currently 'the regional power grid serves only as a back-up mechanism supplying electricity-deficient countries with ad hoc electricity supplies', it has the potential to evolve as a commercial tool for electricity trade. The challenges for establishing a regional electricity market are immense, but the author concludes that the GCC grid represents 'a tangible achievement.... with enormous economic potential for the long-term development of the region as a whole'.

In the last few years, there has been much optimism about Brazil's oil prospects with some media reports referring to Brazil as the next oil giant. As Juan Carlos Boué notes in his article: 'global oil consumers are counting on the aggressive development of Brazilian oil and gas resources to take at least some of the edge off the very high prices.' Notwithstanding the substantial progress made so far in developing Brazil's oil reserves, the author calls for some caution 'not least because outright conflicts involving governments, on the one hand, and their national oil companies, on the other, have culminated in especially messy outcomes'.

James Henderson looks at another important source of non-OPEC supply: Russia and its Eastern oil resources. The author explores the potential for oil output in Russia's eastern regions which could produce over 2 million barrels per day of oil by 2020 and 2.5 million barrels beyond that. However, he admits that 'it would be wrong not to acknowledge some important risks to the development of that potential'. These challenges however can be

addressed by the introduction of a tax system that incentivises investment and risk-taking.

In the final article, Bassam Fattouh explores the evolution of the gas sector in Saudi Arabia. The author argues that while the Kingdom has been successful in developing its gas market and increasing its contribution in the domestic economy, the current gas strategy, based on providing cheap gas to final consumers and achieving self-sufficiency in gas with no plans to export or import gas, is facing some serious challenges. Government policies pursued to deal with these challenges, including doing nothing, will have wide implications not only for the long-term sustainability of Saudi Arabia's industrialisation and development path, but also for global energy markets.

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