

Running out of oil and time by paul rogers

[Literature](#), [Russian Literature](#)



It is true that the writer's intention is to warn the readers about the upcoming crisis in the oil business but it is a fact that the writer is more dependent on data rather than personal synthesis of the entire scenario. It is a fact that the oil crisis of the Middle East is no easy problem to be solved and there are too many variables related to this issue that need to be addressed and evaluated. However, the writer points out some of these variables but fails to move deep into those subjects and this could be termed as the basic weakness of the article.

As an example it could be stated that the writer indicates that the political imbalance in the Middle East could deepen the crisis mentioning that the "Western analysts have long feared that the Saudis and other oil-state leaders are too corrupt, unstable and bankrupt to step up their oil production fast enough to meet surging world demand". (Roberts, 2003) Here too the social and political along with its far reached economical significance is overlooked as the writer promptly directs himself towards the parameters of Asian demand for oil and leaves out the oil politics of the Middle East.

The focal issue, however, concerns the spread of costs equitably among all the stakeholders - public sector oil companies, consumers, governments local and national. In some emerging economies, the government oil companies are split into two halves, marketing, and refining. Subsidies on consumers tend to ignore the fact that refining costs tend to rise in tandem with world oil prices. The reason for splitting operations - equitable distribution of costs - no longer is valid in the present situation as refining costs have gone through the roof putting a heavy burden on these public sector companies. The company tried to offset huge losses. Thus, companies

are involved in marketing by-products, such as lubricants and gasoline.

There is a real fear that public sector utilities will go bankrupt if retail prices do not keep pace with world oil markets. As it is, cooking gas and petroleum is distributed much below market prices in some countries. The government suffers heavy losses and petrol taxes are the result.