

---

# BOOK REVIEWS

---

***The Minerals Industries of ASEAN and Australia: Problems and Prospects.* Edited by Bruce McKern and Praipol Koomsup. Sydney: Allen & Unwin, 1988, Pp. 378.**

---

This book, the result of a project carried out under the auspices of the ASEAN-Australia Joint Research Project, examines the scope of the minerals industries, trade relationships, and government policies in ASEAN and Australia. It has eleven chapters. Six chapters present country studies on Australia, Indonesia, Malaysia, the Philippines, Singapore, and Thailand, giving detailed descriptions of the industries and government policies towards them. Four chapters examine ASEAN's trade relations with Australia from a regional perspective, and one chapter is devoted to theoretical discussion on the issue of minerals development.

The minerals industries of different ASEAN countries are presented by different country experts. Almost all country papers provide information on production and trade of different minerals. The contribution of the mineral sector to the national economy is also discussed. As Singapore does not have any mineral resources, the country paper examines the processing and trading of these minerals that play a vital role in the economy.

The chapter on theoretical issues is the contribution of Craig Emerson. He examines a methodology for evaluating the welfare effects of mining and processing projects and also dis-

cusses the impact of a range of government minerals-related policies on the economy.

One of the four chapters on trade relations between ASEAN and Australia is written by Bruce McKern who provides a brief discussion on the characteristics of the mineral sector of ASEAN countries and Australia. Minerals trade in the region and policies on the minerals industries are also touched upon. Praipol Koomsup examines the trade pattern of ASEAN and Australia in fuels and minerals; he uses constant market share analysis when discussing ASEAN's performance in exporting minerals to Australia during the 1970s. Sahathavan Meyanathan traces ASEAN and Australian interests in mineral producer and commodity agreements. In the concluding chapter Bruce McKern summarized the experience of ASEAN countries and Australia in the development of the minerals industries.

Craig Emerson's chapter, which also reviews different methodologies of assessing the national welfare effects of a project, demonstrates that the present social value (PSV) technique is only the sound method of assessing the national welfare effects of a project. Although this chapter is more conceptual than analytical, it is successful in providing the economic ideas about different aspects of minerals resource development.

The book provides a fairly detailed description of the minerals industries in the ASEAN region and Australia. However, it is empirical in its approach and will disappoint readers who are looking for a more analytical discussion of the issues of minerals industries development.

---

For example, mineral fuels are vital sectors of the economy for ASEAN countries. Yet the book does not look at which country provides more incentives for exploration and production and how the incentive system differs between ASEAN and Australia. Similarly, the policy of one country has a significant impact on other countries — for example, intra-ASEAN oil trade declined after the Indonesian refinery expansion in 1984. The Australian liberalization policy in the energy sector may have a significant impact on the trade of mineral fuels in ASEAN. In a similar manner, environmental problems of the minerals industries have become vital issues in recent years. Although the issues of environment involve non-linear systems of causes and effects, their importance cannot be undermined.

Nonetheless the objectives of the book to provide information on the minerals industries in ASEAN and Australia and to examine the relationship between the two regions are well served, and academicians and policy-makers may find it useful. The analysis may also serve as a basis for future co-operation in minerals trade between ASEAN and Australia.

SHANKAR SHARMA  
*Institute of Southeast Asian Studies*

---

***Oil and Natural Gas Resources in the ESCAP Region: Geology, Reserves, Production, Potential, Distribution.*** Bangkok: ESCAP, 1987. Pp. 154.

---

This compilation by the Natural Resources Division of the ESCAP Secretariat contains some “data on the geology and structure of sedimentary basins in the Asian and Pacific countries, their hydrocarbon reserves and potential, and major oil and gas deposits and fields, as well as data on the current status and future trends of production, consumption,

trade and exploration activities in the region” (Preface).

Based mainly on a study prepared by the All-Union Scientific Research Institute of Overseas Geology of the USSR Ministry of Geology (at the ESCAP Secretariat’s request), this slim volume consists of two parts: a brief survey of geological data on “proved” and “promising” sedimentary basins within the ESCAP region in relation to hydrocarbon accumulations as well as a short summary of the region’s status and prospects relating to the development, production, and trade of its oil and gas resources; and a country-specific description of the “hydrocarbon situation” in the region covering 29 countries out of the 39 countries and territories comprising the “ESCAP region” (*Economic and Social Survey of Asia and the Pacific 1985* [Bangkok: UN/ESCAP, 1986], p. iv).

Notwithstanding its 48 figures and 38 tables, the data contained in this volume are mixed in terms of coverage, depth, and currency. This is to be expected in such cross-national compilations heavily dependent on standard secondary sources augmented by a variety of national sources. The relatively “static” nature of geological formations render them to be more susceptible to classification and analysis than the dynamic and volatile data on exploration, production, usage, and trading of oil and gas.

Treatment of individual countries’ hydrocarbon endowment from the geological standpoint seems to be brief but adequate given the highly technical nature of the subject. However, with regard to status, trends, and forecasts of exploration and exploitation of hydrocarbon resources in the region one gets the impression that more comprehensive time-series data could be incorporated if national sources were extensively exploited. On the other hand, anyone familiar with the excruciating and frustrating task of assembling and collating variegated national data in this field, where many countries regard relevant data on oil and gas as strategic information to be dispensed with extreme caution, cannot but sympathize with the au-